

**THE FEASIBILITY OF TRADITIONAL DECISION-MAKING IN A LARGE  
LOCAL AUTHORITY WITHIN AN OPEN SYSTEM ENVIRONMENT**

by

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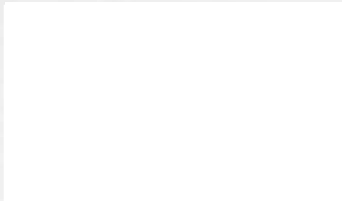
**University of Stellenbosch**

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**August 1991**

DECLARATION

I hereby certify that the work contained in this thesis titled "The Feasibility of Traditional Decision-Making in a Large Local Authority within an Open System Environment" is my own work and that all the sources used have been quoted and acknowledged by means of full referencing and that the material used has not been previously presented at this, or at any other university for academic purposes.



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## OPSOMMING

Besluitneming, die proses om 'n keuse tussen alternatiewe uit te oefen, is die bestuur se enkele mees belangrikste funksie binne enige organisasie, hetsy in die openbare of privaat sektor.

Plaaslike owerhede is geleë in 'n unieke, dinamiese omgewing en voorsien dienste aan die gemeenskap geleë in hierdie omgewing deur die omskepping van hulpbronne. Hierdie proses van omskepping maak staat op 'n reeks besluitnemingsprosesse wat die kontinuasie van sodanige omskeppingsproses verseker.

In die lig van die voorafgaande, word die effektiwiteit en doeltreffendheid van plaaslike owerhede dikwels gemeet aan die sukses van hulle besluitneming. Die afhanklikheid van die tradisionele besluitneming soos dit tans in plaaslike owerhede gevind word, word dus bevraagteken.

Die doel van hierdie studie is derhalwe om die wenslikheid van tradisionele besluitneming deur middel van die identifisering van normatiewe kriteria wat as belangrik vir effektiewe en doeltreffende besluitneming beskou word, te bepaal. 'n Gevallestudiebenadering is derhalwe gebruik waarin werklike gevalle van besluitneming geanaliseer en geëvalueer sal word ten einde vas te stel of en in welke mate, bogemelde kriteria deeglik toegepas is. Die resultaat sal gebaseer word op die werklike sukses van hierdie besluite.

## SUMMARY

Decision-making, the process of choosing between alternatives, is the single most important function of management within any organisation whether it be in the private or public sector.

Local government is located in a unique dynamic environment and provides services to the community within this environment through the transformation of resources. The transformation process relies on a series of decision-making processes to ensure the continuation of this transformation process.

In view of the foregoing and the importance of decision-making, the effectiveness and efficiency of local government is often evaluated according to the success of its decision-making. The reliance of traditional decision-making presently found in local government is therefore questioned.

The purpose of this study is to determine the feasibility of traditional decision-making through the identifying of normative criteria regarded as necessary for effective and successful decision-making. A case study approach will be used from which actual decision cases will be analysed and evaluated in order to determine whether these criteria have been applied and to what extent. The conclusions will be based on the actual result of the decision taken.

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## CHAPTER 1

### INTRODUCTION

#### 1. Introduction

Constitutional reform in South Africa is a reality and is often linked to change in the composition of the legislature and executive at central government level. This reform process has a direct impact on the local government level as its organisational boundaries include the community which it serves.

The constitutional reform mentioned above coupled with the central government's policy of deregulation and devolution of power has further compounded the impact on local government decision-making.

Furthermore, bleak scenarios have been sketched in the political, economic, social and technology dimensions prevailing in the macro-environment. The influence and affect of these scenarios on local government in South Africa will place enormous pressure on the resources, infrastructure, policy and decision-makers in local government.

#### 2. The statement of the problem

The degree of success with which any local authority can integrate with this dynamic environment so as to pro-actively anticipate, prepare and absorb these trends and influences within the environment and still achieve its stated mission depends on a number of factors. The flexibility of the organisational design, decision-making structure, expertise and qualification of decision-makers, the speed and accuracy of decisions made, and the reliability and validity of the information gathered are all factors to be considered.

The overreliance on traditional decision-making in this open dynamic system is questioned and the need for more dynamic decision-making models or systems has become a requirement. The reliability of traditional decision-making is debatable due to the number of local government decisions throughout South Africa which are questioned, opposed and criticised in public forums and the media.



### 3. The purpose and field of study

The purpose of this study is to determine whether traditional decision-making as it exists to-day in a large local authority is still feasible in our changing dynamic environment.

The research was limited to one large local authority. The reason for this limitation is that the provision of services does not take place in a specific determined environment as it is continuously influenced by the various dimensions found within that environment. Decision-making will vary from one municipal area to another, which will cause the findings found in a specific municipal area not to be generally applicable in all municipal areas.

Bellville City Council was selected as the case study as it is one of the four largest local authorities in the Western Cape as determined in accordance with the formula stipulated in the Remuneration of Town Clerks Act, No. 115 of 1984. The four largest being, Cape Town, Bellville, Kimberley and Port Elizabeth. Furthermore, Bellville City Council complied with all the other criteria necessary to facilitate the research, for example: a firm and established organisational and functional structure; approved and tested powers of delegation within the organisation, established levels of decision-making and authority; established policy with regard to strategic and forward planning and finally, a well administered archive registry reference system.

The field of study consists of two components. The first component is the theoretical construction which is based on a literature research. This research was undertaken to identify and define all the normative criteria regarded as necessary for effective and more successful decision-making.

The second component is the actual theoretical testing, which required the selection of actual decisions from the case study. In each selected decision case an attempt was made to ascertain whether the normative criteria were applied in the decision-making process and the extent to which they were applied.



The theoretical testing was based on the examination of the official minutes of the Council, supporting correspondence and documentation and the conducting of unstructured interviews with the relevant key officials who participated in the decision-making process.

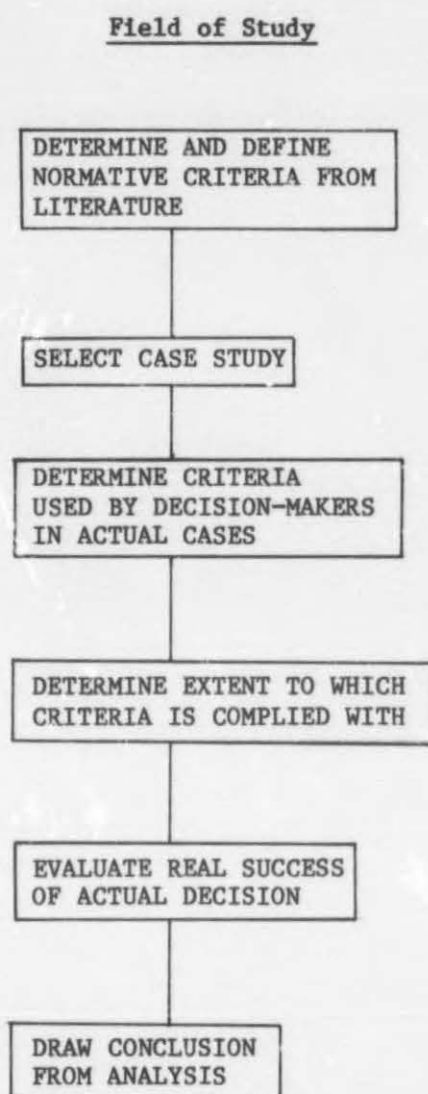
The interviews conducted with the relevant officials were directed towards obtaining the following information:

- the external environment prevailing at the time the decision was taken;
- the actual need of the community;
- the context within which the decision was taken (internal perception);
- the identifying of all constraints for example, legislation, policy restrictions and resistance from pressure and interest groups;
- the impact on the community;
- the success of the decision evaluated on the basis of the achievement of the objective of a local authority and whether the decision was upheld and not rescinded prior to implementation; and
- the real outcome.

The interview format was unstructured and therefore not fixed for all the case studies, but conducted according to the nature and type of case study selected with the objective to obtain sufficient information for each of the points detailed above.

The whole field of study is schematically presented hereunder in Figure 1:

Figure 1



#### 4. Assumptions and limitations

##### 4.1 Assumptions

The following assumptions have been compiled and are submitted in order to further delimitate the field of research and to reduce possible variables so as to facilitate the evaluation of traditional decision-making in local government.

#### 4.1.1 Elected representatives will retain policy-making role

The assumption is that all elected representatives to local government will retain their policy-making role with the power to delegate responsibility regarding decision-making to certain levels within the local government organisation without losing their accountability.

#### 4.1.2 Local government operates in an open system

Due to the nature of local government in its provision of services to the community in the external environment, it can only operate in an open system as it must be sensitive to the needs, wishes and demands of the community. Local government will not survive as a system that operates independently from its environment, namely a closed system.

#### 4.2 Limitations

The study will not attempt to define and describe the legal role and relationship between the elected representatives/councillors and officials as they are prescribed by the Cape Municipal Ordinance, No. 20 of 1974.

All references to municipal ordinances will be to the Cape Municipal Ordinance, 1974, as it is the only ordinance applicable to the selected case study, which is located in the Cape Province.

The study will not attempt to determine the personal specifications and requirements required by individuals to make decisions.

The study will not attempt to sketch the actual influence and effect of the macro environment on local government.

## 5. Definitions of Terms and Concepts

### 5.1 Local government

In terms of section 3 of the Cape Municipal Ordinance, 1974, the inhabitants of every municipal area shall under the name assigned to it be a body corporate with perpetual succession. This section further provides that, "...it is capable in law of suing and being sued, of purchasing, holding and alienating land, of entering into contracts and generally of doing and performing such acts and things as bodies corporate may by law do and perform".

Section 4 of the same Cape Municipal Ordinance, 1974, states that a municipality shall be governed and represented by a council and the section provides further that all acts of any such council shall be deemed to be acts of the municipality.

In view of the above provisions Meiring (1989 : 6) states that a municipality has certain characteristics. Firstly, it has a demarcated area of land, secondly there are inhabitants in a municipality, thirdly, there is a local authority in every municipal area and lastly, a local authority has delegated powers to act in a legislative and executive capacity.

### 5.2 General welfare

The primary objective of local government is to improve the general welfare of the Community within the area over which it exercises jurisdiction. Meiring (1989 : 4) states that local government must strive to improve the quantitative and qualitative lives of the inhabitants of the community.

Meiring (1989 : 4) points out that development is not only directed towards economic enhancement and material gains but includes the spiritual and cultural enhancement of the community. The meaning of general welfare will differ from one community to the next as it is based on the values of that particular community.



### 5.3 Policy

Meiring (1989 : 4) states that policy on local government level is the result of a series of decisions taken by the Council, Standing Committees, Town Clerk or Departmental Heads. Policy provides direction towards the achievement of a goal desired by the policymaker, for example, the manner in which the municipal area must be developed and what services should be provided.

### 5.4 Traditional decision-making

Writers such as Robbins (1980 : 65) Gortner (1981 : 194) and Hanekom and Thornhill (1983 : 63) agree that the definition of decision-making is the concept of choosing between alternatives.

In terms of organisational thinking and especially decision-making, there appears to be a tendency to move away from the closed system approach where the influences in the environment are not regarded as a force and from motions towards the formulation of specific decisions.

In view of the above, decisions are formulated within the given circumstances based on the contextual nature of the particular matter. In terms of this approach a particular decision-making model will be selected which will best suit the contextual circumstances.

In contrast to the above, traditional decision-making is defined for the purpose of this study as decisions which are formulated at local government level according to a closed system approach based on fixed principles. In other words, decision making takes place without taking into account the prevailing contextual circumstances.

Decision-making in local government takes place in a dynamic environment, at the same time taking cognisance of the conflicting values, norms and perceptions of the three participatory groups in order to achieve the stated mission. The open system approach is the most effective process to improve the general welfare of the community through the satisfaction of their ever-changing needs.



## 6. Plan of the study

Based on the information drawn from published textbooks, official publications, magazine articles, reports, official documentation, statutory legislation, ordinances and interviews the study contains the following:

In Chapter 2, the historical origins and development of local government are discussed so as to ascertain their influence on decision-making structures and strategies.

Chapter 3 is an examination of the two considerations which come to the fore in Chapter 2, which has had a strong influence on the decision-making process in local government, namely the philosophy of democracy and the effectiveness and efficiency considerations necessary for the justified existence of local government.

Chapter 4, deals with the placement of local government within the environment, which includes a description of the dimensions found in the same environment that influence local government in its decision-making. This chapter also examines the composition of the local government structure which supports the decision-making process when transforming resources from the environment into services.

Chapter 5 provides an explanation of the definition and process of decision-making, the various models for decision-making as well as the various decision-making aids which are available to all decision-makers, whether they exist in the private or public sector. This discussion on the general theory of decision-making serves as an introduction to the discussion of decision-making in local government in Chapter 6.

Chapter 6 serves to explain the implications of decision-making at local government level regarding the role of democracy, participation, values and norms of participants, as well as their perceptions. An understanding of the foregoing is necessary in order to facilitate the evaluation of traditional decision-making.

Chapter 7 is a detailed explanation of the identified normative criteria regarded as essential for effective decision-making as well as the factors necessary for their successful application.

Chapter 8 is to discuss the selected case study, Bellville City Council, in terms of its historical background, organisational and functional environment so that the selected decision cases may be seen in context.

Chapter 9. Provides an analysis to determine whether traditional decision-making in local authorities is feasible or not. Four decision cases were selected for analysis. This chapter provides a description of the four selected decision case studies as well as an analysis of the application of the normative criteria in each of these cases.

Chapter 10 provides the summary and conclusion of this study.

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## CHAPTER 2

### INTRODUCTORY PERSPECTIVE TO SOUTH AFRICAN LOCAL GOVERNMENT

#### 1. Introduction

To determine the feasibility of traditional decision-making as it is practised in local government today, it is necessary to trace the historical origins and development of local government so as to ascertain its influence on decision-making structures and strategies within the context of the broader constitutional government system.

Attention in this chapter is given firstly, to the influence of the British system of government and secondly, to the development of local government since 1908, focusing on particular policy decisions which were taken and the influence this had on local government, especially since 1958.

This chapter will conclude with an exposition on the recent developments in local government and on the recommendations submitted by the technical committee appointed by the Council for the Co-ordination of Local Government Affairs regarding a new system of local government, based on the principles of a democratic, non-racial system. Reference will also be made to the Interim Measures for Local Government Act, No. 128 of 1991, which provides interim measures for promoting negotiations on local government level to facilitate the reform process.

#### 2. The influence of the British system of government

The historical development of local government in the western world may be traced to the origins of the British system of government which has developed continuously over the best part of a thousand years without recourse to written constitution.



The relevance of the British system of government is important due to its influence and the introduction with adaptations of this system into the South African context.

Craythorne (1977) documents in detail his research into the British system of local government and its influence on the South African system. Craythorne (1977 : 10) states "In England local government developed from defensive needs, which evolved into public needs, to the eventual realisation that large towns had to have a rational system of government."

However, Cloete (1988 : 81) points out that public administration comparable with that practised in the Western world was brought to South Africa by the Dutch settlers. The Dutch practices were adapted by the British after they took over the Cape of Good Hope from the Dutch in 1806.

Cloete (1988 : 102) compared the development of the practice of public administration in South Africa with what transpired in the United States of America. From this comparison he made the observation that public administration in South Africa is based on the foundations laid by the British and Dutch governors and officials who were representatives of the foremost civilised countries in Europe.

Craythorne (1979 : 1) points out that the development of English local government originated from the military need for defence against invaders, evolving into institutions for the preservation of law and order, and in the nineteenth century, evolving further into systems for the maintenance of public health. Craythorne (1979 : 1) also states "it is only in the twentieth century that the British set about rationalising and structuring their system of local government".

It may therefore be said that the development of local government in South Africa, especially in the 20th century could be directly related to the evolvement of the British system of government.



According to Craythorne (1979 : 1), the formalising of the local government system and the vesting of decision-making powers and structures could be attributed to two important nineteenth century English Municipal Acts, namely:

- the Municipal Corporations Act, 1835 which introduced for each municipality a mayor, aldermen, councillors and town clerk and committees, and
- the Local Government Act, 1888 which created the Local Government Board which allowed a measure of central co-ordination and could compel local authorities to use their public health powers.

In view of the foregoing, it may be concluded that the South African local government system derives from Dutch, English and South African sources. The evolutionary thread commenced with local authorities attempting to determine their destinies to an indirect form of local self-government.

### 3. The development of local government since 1910

The unification of the four colonies in 1908-1909 and the establishment of the Union of South Africa in 1910 under one parliament was preceded by the formulation of the South Africa Act, 1909, by a national convention which became the first Constitution Act of South Africa.

Cloete (1988 : 83) points out that by 31 May 1910 the four colonies in South Africa (Cape of Good Hope, Natal, Transvaal and Orange Free State) had more or less similar governmental and administrative institutions and practices. Cloete (1988 : 83) states further that the general characteristics of the administrative systems of the four provinces were that they were unified systems for the purposes of financial and personnel administration.

Each of the four colonies had its own system of municipal government and administration. Cloete (1988 : 83) explains that these systems differed only in detail because all of them were modelled on the system developed in the Cape of Good Hope after 1836.

Baxter (1984 : 140) points out that the development of local government since 1910 is characterised by the fact that no uniform system developed, although certain similarities do exist. There are two main bases of differentiation and variation, namely:

- according to race groups; and
- provincial variations.

Van Rooyen (1987 : 1) states that the variations which exist according to race groups, developed at an early stage when local government institutions were created for specific groups i.e. the establishment of Advisory Boards in urban areas occupied by Blacks in accordance with the Provisions of the Black (Urban Areas) Act, 1923. Cloete (1976 : 70 - 71) points out that other variations existed even before Union, such as the fact that only white persons were enfranchised in the Transvaal and Orange Free State at local government level.

Van Rooyen (1987 : 1) states that the coming to power of the National Party in 1948 is one of the most important single developments in the history of local government in South Africa since 1910. Van Rooyen (1987 : 3) submits that the reason for the changes since 1948 was to accentuate differentiation of systems according to race or population groups for more than 35 years i.e. the Management Committee System for Coloureds, the Local Affairs Committee System for Indians in Natal and Black Urban Councils and community councils.

In the paragraphs which follow attention will be given to Van Rooyen's views on the development of local government since 1950, where he emphasises the main reasons why particular policy decisions were taken and the influence this had on local government.

Van Rooyen (1987 : 3) is of the view that the development of local government from 1950 to the early 1980s is characterised by the following:

- a continuation of the system of local government representative of the "White" population group under control of the four Provincial Authorities; and
- the development of new local government institutions for the Black, Coloured and Indian population groups.

Van Rooyen (1987 : 4) refers to the recommendations of the Niemand Committee of Investigation which was appointed in 1961 to investigate and report on the development of local government for Coloureds in urban areas and towns. This formed the basis of the system of Management Committees (Local Affairs Committees in Natal) for the Coloured and Indian population groups which were provided for in the Group Areas Act, No. 36 of 1966. It is still in operation today and may be regarded as a cornerstone of the principle of "own affairs" embodied in the present constitutional dispensation.

Van Rooyen (1987 : 4) points out that developments in the early 1980s were preceded by a number of investigations which influenced the field of local government. These investigations, together with the findings of the Schlebusch Commission and the President's Council regarding the adoption of constitutional structures in South Africa, culminated in the acceptance of the Republic of South Africa Constitution Act, No. 110 of 1983.

Finally, according to Van Rooyen (1987 : 5) there are a number of changes which have been affected and which are of significance at local government level, namely:

- the creation of Regional Services Councils;
- the abolition of the four Provincial Councils with the retainment of an adapted form of provincial administration;
- the abolition of influx control as part of a new urbanisation strategy and the granting of freehold rights.



#### 4. Present status of constitutional development for local government

In view of the above discussion it is necessary to refer to the most recent developments and proposals regarding a possible new system of local government. A technical committee appointed in 1986 by the Council for the Co-ordination of Local Government Affairs has completed and submitted its findings and recommendations regarding a possible new constitutional framework for local government.

Thornhill (1989 : 10) refers to the Council for the Co-ordination of Local Government Affairs, as having identified points of departure as the basic principles on which a workable and acceptable new democratic and non-racial system of local government should be built.

The first point of departure is that local government must remain as an independent form and tier of government consisting of autonomous, directly elected local authorities with executive and legislative powers. The provision for democratic political participation, the elimination and prevention of domination and effective participation of minorities must be retained. The endowment of maximal powers and functions as well as sufficient sources of income must be striven for.

The final point of departure is that existing and new sources of income of local government as well as inter-governmental grants, be utilised in an effective and non-discriminatory manner so as to promote economic development and financial independence.

To enable communities to negotiate sensibly, particular models were proposed. According to Thornhill (1989 : 11) the five options submitted are not prescriptive but merely serve as possibilities that could be used in the negotiating process. The five options are explained under separate headings as follows:



#### 4.1 Separate local authorities

The first model provides for local authorities for the various population groups (as they exist at present). However, this is not the status quo. It should be the result of negotiations at local level. Each local authority should be financially viable and should have sufficient trained personnel and an acceptable infrastructure to enable each authority to provide services to its community.

#### 4.2 Local services council

This model provides for a council, to be negotiated along the lines of a regional services council. Provision is to be made for autonomous local government bodies to exist, but within a newly established local authority. Each local government body, that is local authorities as well as management committees/local affairs committees are to retain particular powers. However, each body elects representatives to serve on the newly established body and agrees on the functions to be performed by that body.

As the newly established local authority has to be non-discriminatory, the existing management committees will not be subservient to a "white" local authority. Existing black local authorities will be subject to the same provincial legislation. The Black Local Authorities Act, No. 102 of 1982, has to be repealed if the Committee's proposals are adopted. The number of representatives could be in accordance with financial considerations, but decisions have to be taken in accordance with needs and not on racial lines.

#### 4.3 Joint local authority

The third model is based on the fact that a local authority could have one undivided area. This implies that a total geographical area of an urbanised community (containing all population groups) is considered to be the local authority area. The area is subdivided into neighbourhood management areas according to common characteristics. Each area elects its own committee that will be responsible for matters affecting the particular sub-municipal area directly. Such committee will only act as a decision-making body for that particular area.

Each committee's chairman and possible other representatives according to a negotiated arrangement, will serve on the joint council. The council will take decisions of general concern to the local authority. One administrative structure will be in existence and only one revenue fund will be in operation. Allocation of funds to the various areas will be done by the joint council. However, a neighbourhood management committee may decide to improve its standard of services, but will then impose an additional levy on its community.

Thus a particular area could improve the quality of life in its particular area without placing any additional burden on the rest of the inhabitants.

#### 4.4 Simple majority council

This model simply implies that a total area is considered as the local authority. It is divided into wards and members are elected on a non-racial basis. Voting power could be according to the winner takes all principle, or on the basis of proportional representation. The latter electoral method would make it possible to provide for minority protection.

#### 4.5 Other locally negotiated option

Apart from the four models mentioned above, provision is made for any other locally negotiated option as long as it complies with the general principles contained in the enabling act.

No specific provision is made for local government in metropolitan areas. However, the locally negotiated option could be employed to establish a metropolitan local authority. It would, for example, be possible for local authorities to be established according to any one of the four proposed models to form a metropolitan local authority.

The options detailed above have not as yet been accepted by the Council in question. Approval will be subject to the comments being awaited from all the relevant interest groups and stakeholders who have a vested interest in the negotiation process.

Central government has realised that proposals regarding co-operation and negotiation as proposed above for example, cannot be implemented because of certain legal impediments. The Interim Measures for Local Government Act, No. 128 of 1991, is an attempt to remove these legal constraints and to facilitate the process of reform through:

- the establishment of negotiating forums by local government bodies;
- the framing of either agreements or sets of enactments by the above bodies; and
- the validation of those agreements or enactments by proclamation in the Official Gazette.

## 5. Summary and conclusion

The existence of local government systems in any state is based on institutions whose establishment and development may be referred back to ancient history.

The development of local government since 1910 in South Africa is characterised by the fact that no uniform system developed although certain similarities did exist.

It is clear from the report submitted by the technical committee of the Council for the Co-ordination of Local Government Affairs, that the development of a new local government system will not be based on evolution as was the case with the British system nor by revolution, but rather through negotiation. The process of negotiation is also a lengthy process as existing structures would have to be removed and consensus would have to be obtained from all the stakeholders. In the interim, the need and pressure for essential and emergency services by especially the lower socio-economic groups is immediate and should not be delayed due to the reform process. The enactment of the Interim Measures for Local Government Act, 1991, is a step forward to speed up the negotiation and reform process prior to the finalisation of a structure at local level.



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### CHAPTER 3

#### THE PHILOSOPHY AND FUNCTIONALITY OF LOCAL GOVERNMENT WITHIN THE SOUTH AFRICAN CONTEXT

##### 1. Introduction

The description of the historical origins and development of local government in South Africa shows a strong British influence based on the philosophy of democracy.

The literature research supports the notion that local government developed from the need to provide services to members of the community with the objective to improve the general welfare of the community.

This development has had a strong influence on local government decision-making and should be upheld throughout the decision-making process.

Local government decision-making within a democratic government system, where the principles of popular representation are applicable, is upheld through the concept of participation by all the citizens within the community where their interests are affected.

The decision-making process within local government is directed towards the improvement of the general welfare of the community. The continued existence of local government is justified according to the effective and efficient achievement of this objective.

The purpose of this chapter is twofold:

- to examine the extent to which the philosophy of democracy is upheld at local government level;
- to examine the effectiveness and efficiency considered necessary for the justified continued existence of local government.

## 2. Local government and democracy

Rodee, Anderson and Christol (1983 : 43) have submitted the location of power criterium as one of the criteria necessary to classify a state and also to distinguish between democracy and dictatorship. A government where decisions are controlled by all the adult members of a society is defined as a democracy, and conversely, a government where decisions are ultimately controlled by fewer than all the society's adult members, is defined as a dictatorship.

This brief explanation of democracy and dictatorship has led to many problems as no actual government fully measures up to the theoretical model of democracy. This is supported by Rodee, Anderson and Christol (1983 : 46) who are of the opinion that some states are more democratic than others. This has also contributed towards the endless confusion and disagreement as to what democracy is.

For the purpose of this discussion, Ranney's (1971 : 76) working definition of democracy is used as he furnishes four principles which must be complied with to uphold the philosophy of democracy. These principles facilitate easier analysis to determine whether participation by all the members within the community is being provided for, especially during the decision-making process.

Ranney (1971 : 76) defines democracy as follows:

"Democracy is a form of government, organised in accordance with the principles of popular sovereignty, political equality, popular consultation and majority rule".

In view of this definition, democracy at local government level is difficult to uphold on the basis of independent and full autonomy. In order to practice democracy as defined, these elements should be present, but no local government institution is completely autonomous as it is limited in area (municipal area), legislative powers and financial budgeting constraints. No local government institution has full powers as it is subordinate in the constitutional hierarchy in relation to central and provincial government.

This analogy could be applied to the concept of participation at citizen level where all the citizens are not on the municipal voters' roll, although it is assumed in terms of Rodee, Anderson and Christol (1983) and Ranney's (1971) classification, that in a democratic state all government decisions are controlled by all the adult members of society as the power is located in the people. The classification submitted by the two writers above is, however, applicable to local government as the evolution and development of local government was a result of citizens wishing to participate in affairs directly affecting them.

In order to give effect to participation, it is essential that the communication process is functioning since it is not only necessary for the members of the community to participate in the formulation of decisions, but also to ensure that the decisions taken are transmitted onwards to the rest of the members of the community who did not take part in the decision-making process.

In view of the above, it may be accepted according to Craythorne (1979 : 19), that democracy at local government level consists of internal and external aspects. Internal in the sense of democratically-elected representatives having a say in policy decision-making; and external with regard to the rights of citizens to submit requests and to appeal against decisions.

Political representatives also have a vested responsibility for keeping the members of the community at large informed on all matters affecting them.

### 3. Justification for the continued existence of local government

To justify the continued existence of local government and thus its usefulness to society, Van Rooyen (1985 : 11) submits two considerations, namely:

- civil considerations with political or subjective determinants; and
- utilitarian or service considerations with functional or objective determinants.



The civil consideration has been discussed in paragraph 2 above and attention is now given to the utilitarian consideration.

In terms of the utilitarian consideration, the responsibility of local government is to provide and maintain essential and emergency services to the community. The needs of the community regarding these services are never-ending and it is impossible to list all.

The National Productivity Institute (1989 : 3) has classified all the needs of the community into logical and acceptable groupings in order to simplify the process as follows:

- physical needs, refer to the needs of persons who wish to survive physically and wish to live in an orderly, safe and clean environment;
- economic needs, imply that a person does not only wish to survive but wishes to live at an acceptable standard through the utilisation of facilities; and
- intellectual needs, arise once an acceptable level of safety and living standards has been guaranteed, when the person will expect his intellectual welfare and development to be accommodated.

In order to satisfy these needs listed above through the provision of services, the local authority concerned must formalise the following strategy which will include:

- the formulation of goals;
- the setting of objectives to achieve these goals; and
- the exercise of activities to satisfy the needs listed above.

The availability of resources to provide these services is scarce. Because of the scarcity of these resources certain services will have to receive a higher priority than other services which should be included in the strategy detailed above.



The formulation of goals, establishment of objectives and exercise of activities is influenced by the limitation of resources which in turn makes it difficult to prioritise. According to Van Rooyen (1985 : 14) this process is further aggravated by the following:

- local authorities function within a political milieu;
- value judgements (political or subjective considerations) are part of the policy formulation and decision-making process;
- effectiveness cannot be determined through profit and loss - this is especially applicable where the cost of the service and the benefit of the service is not divisible.

It is possible to evaluate the success of local government by identifying and satisfying the needs of the community. Epstein (1984 : 11) maintains that effectiveness and efficiency can be measured. Epstein (1984 : 12) states further that a service can be considered to be effective if its unmet needs are kept at a satisfactory level.

Effectiveness can be measured in different ways according to Epstein (1984 : 13), which can be grouped into four general categories:

- measures of community conditions;
- measures of service accomplishments;
- measures of citizen or client satisfaction and perceptions; and
- measures of the unintended adverse impacts of a service on the community.

To measure efficiency, the local government body must determine the cost of the resources utilised to perform these activities to achieve the objectives and ultimate goal in the strategy. The cost justification for each activity must be determined and the economic considerations taken into account. The measurement of efficiency relates the cost of the activity to the quantity of the service produced by the activity.

#### 4. Summary and conclusion

To achieve the philosophy of local government as transcribed from the United Kingdom within the democratic framework, the opportunity for full public participation by all members of the community must be available.

In order to achieve the foregoing on the one hand while at the same time justifying the continued existence and usefulness, especially of local authorities, it is necessary to ascertain the extent to which the needs of the community have been accurately determined and adequately satisfied through the provision of services. The effectiveness and efficiency criterion therefore plays a major role in this regard.

It is essential that local government effectiveness and efficiency is measured, so that its success in achieving its ultimate purpose or mission is evaluated in order to question its continued existence. In measuring effectiveness, local government looks out to the public to determine the impact of services on the community. In measuring efficiency, local government looks inwards to its own operations to determine whether it is producing a reasonable amount of services for each rand spent.

It is clear that at local government level the principles of democracy must be regarded as an important criterion to be complied with in the decision-making process. A further important criterion is the compliance of the effectiveness and efficiency considerations to improve the general welfare of the community, which is the ultimate objective of decision-making.

The needs which originate within the community are transmitted to the local authority in the form of impulses from the external environment. The resources required to satisfy these needs are located in this external environment. The sensitivity of the local authority to react, depends on the degree of active public participation by the community within the system.

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## CHAPTER 4

### THE PLACEMENT OF LOCAL GOVERNMENT WITHIN AN OPEN SYSTEM ENVIRONMENT

#### 1. Introduction

The nature of local government is to provide services to satisfy the physical, economic, political and social needs, expectations and interests of the community. The purpose of this chapter is to describe the factors within the environment which have an influence on the provision of services and which should be taken into account by the decision-makers. The composition of the local government structure which supports the decision-making process when transforming resources from the environment into services will also be examined.

This explanation will attempt to show that the decision-making process cannot take place in isolation from the environment. The purpose and objectives set by local government as well as the services provided, are influenced by the environment.

The interaction between the environment and local government will be examined in accordance with the open system approach. This is best suited to portray the influence and affect of the environment and the role local government assumes within this environment, which has a major bearing on how and why certain decisions are taken.

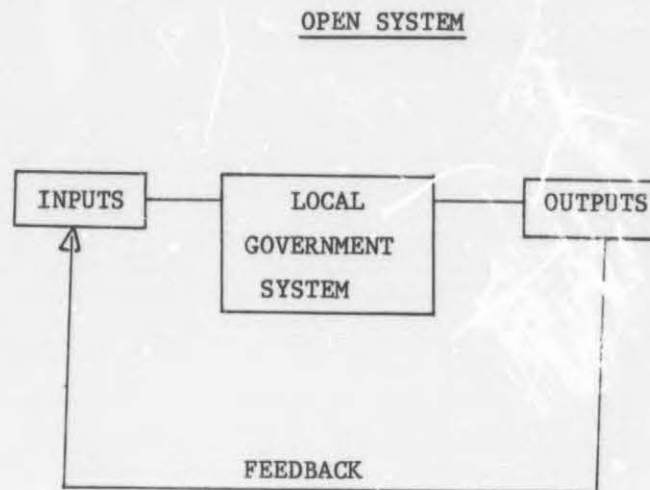
#### 2. Open system model

The open system model is used here to explain the location of local government within the environment in which it operates as it is an open, dynamic, multi-goal seeking, purposeful system. Hodge and Anthony (1988 : 58) state that all organisations fit this description whether they are public or private, profit or non-profit, business or government. Schwella (1986 : 45), Hodge and Anthony (1988 : 59) describe an open system as taking inputs from the environment, transforming them through operations into outputs and receiving feedback from the environment on its success.



A commonly used diagram depicting the transformation of inputs is shown in Figure 2.

Figure 2



### 3. Definition of environment

Robbins (1980 : 149) states that there is no shortage of definitions of "environment". He submits the most popular definition of the environment as that which is composed of those institutions or forces, that affect performance on the organisation but over which the organisation has little or no direct control. However, as Robbins (1980 : 214) points out, most organisations seek to control their environments in order to reduce uncertainty and their dependence on others.

Hodge and Anthony (1988 : 68) submit a good method to conceptualize the interaction of an organisation with its environment by using the macro-intermediate-micro-environmental distinctions. This model is explained hereunder.

#### 3.1 Macro-environment

Hodge and Anthony (1988 : 68) furnish a very clear, simple and short definition of the macro-environment where they state: "The macro-environment is the general environment within which the organisation works".

According to Hodge and Anthony (1988 : 94) the macro-environment can be broadly classified into the following seven major components : culture, political system, economic system, competition, technology, skill mix, consumer/client groups. Meiring (1989 : 57) states that for the purposes of research the environment can be divided into the following categories: physical, economic, political, social, religion and other.

For the purposes of this dissertation the following major dimensions have been selected for explanation as they have specific influences on local government:

- the political dimension
- the economic dimension
- the social dimension
- the cultural dimension
- the technological dimension
- the physical dimension

#### 3.1.1 Political dimension

Hodge and Anthony (1984 : 97) state that all organisations are affected by the political system in the macro-environment. Furthermore, Hodge and Anthony (1984 : 97) explain this dimension by stating that in order to exist, organisations must comply with certain legal procedures to begin operation, they must observe applicable laws in the conduct of every day affairs, and they must comply with laws ceasing operation.

#### 3.1.2 Economic dimension

Hodge and Anthony (1988 : 71) clearly define the economic system in the macro-environment as the way in which society creates and distributes wealth. Hodge and Anthony (1984 : 72) further explain the economic system for organisations as that major part which is concerned with the availability of resources for the organisation. The climate and natural resources of the geographic area in which the organisation operates, affect the type and use of many of its physical resources. The availability affects how an organisation operates.

### 3.1.3 Social dimension

Fox, Schwella and Wissink (1991 : 20) explain the social dimension, when they state that the social environment can be seen as patterns of interaction or interacting social roles and institutions within a particular society. Fox, Schwella and Wissink (1991 : 20) state further that this environment includes trends regarding demographic characteristics of the population, trends in respect of urbanisation, housing, education and training and human development.

### 3.1.4 Cultural dimension

According to Hodge and Anthony (1988 : 64) the cultural system of a society is the society's basic beliefs, attitudes, role definitions and interactions. Institutions in the cultural system include the family, religious institutions and educational institutions. These institutions transmit the cultural patterns from one generation to the next and also redefine and build upon cultural values. The cultural values and norms held by a society or segments of that society are of importance when their preferences and needs are to be assessed. An analysis of these factors has to be made by policy-makers and public managers to gauge these needs and preferences.

### 3.1.5 Technological dimension

Hodge and Anthony (1988 : 66) view technology as the use of machinery and process to produce and distribute goods and services. It is the state of the art and science employed in the production of goods and services.

Factors identified for analysis in the technological environment include the nature of technology, trends in technological development and the natural and social impacts of the uses of technology.



### 3.1.6 Physical dimension

Coertze (1980 : 27) explains the physical environment as being limited and not easily altered. The environmental factors which stem from the physical dimension play a specific role in the provision of public services. Meiring (1989 : 58) points out that people are dependent on the physical environment for their future existence.

### 3.2 Intermediate or specific environment

The intermediate environment also referred to as the specific environment by Fox, Schwella and Wissink (1990 : 8) can be viewed as that part of the environment, that represents the concrete manifestation of the macro-environment forces. Hodge and Anthony (1988 : 69) explain the intermediate environment as being made up of linking systems that facilitate the interface between the micro and macro-environments.

Fox, Schwella and Wissink (1990 : 8) submit that the specific environment may be conceptualised in terms of the following components:

- regulators;
- suppliers;
- consumers; and
- competitors.

These components make up the linking systems as explained by Hodge and Anthony above. The major dimensions in the macro-environment as explained in paragraph 3.1, have a direct influence or effect on these components.

Each component in this environment facilitates the acquisition of resources from the environment for the distribution of products and services to the environment. From the local government perspective these components are often referred to as interest groups and pressure groups.

### 3.3 Micro-environment

The micro-environment according to Hodge and Anthony (1988 : 63) may be made up of three major subsystems:

- the goal and work system;
- the structure, communication and authority; and
- the human factor system.

The three major subsystems are explained as follows. Firstly, the goal and work system of the organisation is made up of the primary mission, the specific objectives, and the types of work undertaken to accomplish the mission and objectives.

The structure, communication and authority system is concerned with the way an organisation allocates decision-making authority throughout the organisation. The concepts such as organisation design, delegation and control are primary considerations.

Finally, the human factor system is the network of interpersonal relationships and behaviour patterns within the organisation, both formal and informal.

The micro-environment is therefore a mechanism for the transformation of resources from the environment into distributable products or services through the utilisation of the three subsystems identified by Hodge and Anthony (1988 : 68).

In order to achieve the foregoing, it is accepted that numerous activities would have to be undertaken within each subsystem. By applying this micro-environment explanation of Hodge and Anthony (1988) to the local government organisation concept, it will be necessary to apply the classification of activities as undertaken by Hanekom and Thornhill (1983 : 76), being the generic administrative functions, the functional activities and auxiliary functions.

The generic administrative functions of policy-making include financing, organising, personnel provision, procedures and control.

The functional activities are peculiar to specific services such as fire services, traffic services, parks and civil engineering services.

The auxilliary functions include decision-making which is necessary to expedite the execution of the generic administrative functions.

The classification of activities are the functions within the organisation necessary to achieve the ultimate purpose of that organisation.

The transformation process within the micro-environment is realised through a series of decision-making processes in order to perform the functions identified in Hanekom and Thornhill's (1987 : 76) classification.

As the micro-environment represents the organisation, it is accepted that a series of decision-making processes takes place at various levels within the organisation in order to achieve all the functions as classified by Hanekom and Thornhill (1987 : 76). In order to delimitate the organisation into its various levels within the micro-perspective, reference is made to Cloete's (1980 : 72) policy-making model. The levels identified by Cloete (1980 : 72) form the basis of the structure of the micro-environment.

Cloete (1980 : 72) points out that policy-making takes place at four levels within the organisation, namely: political, executive, administrative and operational. Cloete thus implies that a series or network of decisions takes place on each level. Each level is discussed briefly hereunder:

### 3.3.1 Political

On this level according to Cloete (1980 : 74) the decisions of the political office bearers are applicable which will guide the local authority in its action on the community.



### 3.3.2 Executive

Cloete (1980 : 74) describes this stage as consisting of aspects such as financing, personnel provision, organising and the determination of work procedures which provides an indication on which matters decisions should be taken regarding executive and administrative policy.

### 3.3.3 Administrative

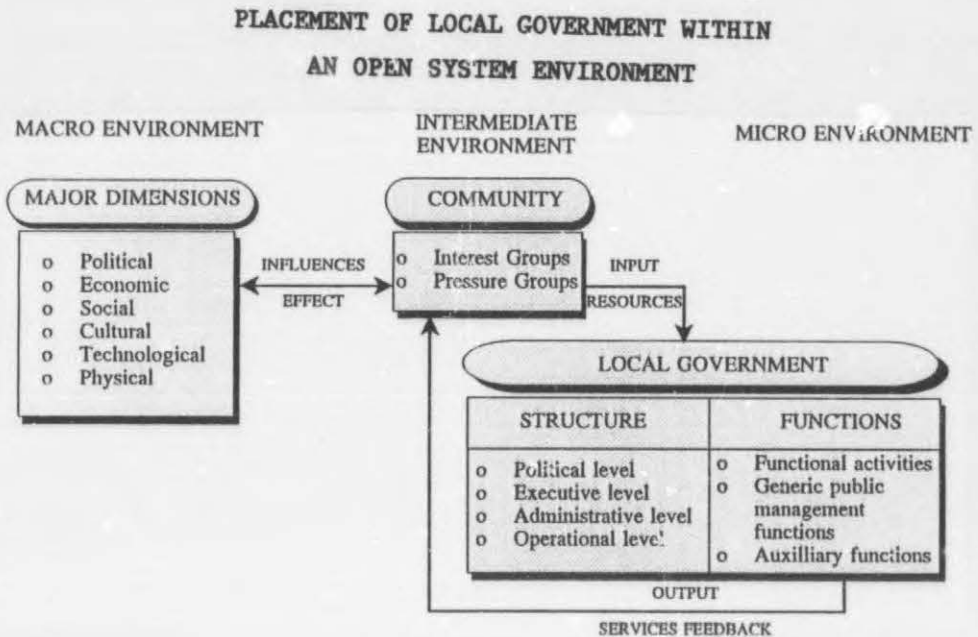
Cloete (1980 : 74) states that this level is concerned with the practical steps undertaken and implemented mainly by officials in order to realise the executive policy. Administrative policy is continuously formulated and consists of difficult decisions.

### 3.3.4 Operational

According to Cloete (1980 : 77) this consists of the working level. The decisions are taken by supervisors at this level and does not affect the functional activities of the organisation. This is largely concerned with routine work which is undertaken by subordinate officials.

The four levels identified by Cloete (1980) form the structure of the organisation which provides the framework for the performance of the functions explained above. The placement of local government within the environment with the introduction of the major dimensions in the macro-environment, has a profound influence on the interest and pressure groups in the intermediate environment. These groups in turn provide inputs/resources to be transformed into outputs/services by the micro-environment which is represented by a typical local government organisation. The model described above is conceptually illustrated at Figure 3.

Figure 3



#### 4. Summary and conclusions

Local government functions within a unique environment, where the citizens have their own unique needs and expectations influenced by the major dimensions prevailing in the macro-environment such as politics, economics etc. The local government policy-making process and decision-making process is influenced by the macro and intermediate environment in which these citizens find themselves.

Although for the purposes of discussion these factors have been isolated, local government services are influenced by all these factors in its totality. From this scenario, it is clear that decision-making within the organisation or micro-environment is complex, especially if the inter-relationship between the officials and representatives is also taken into account within the four identified decision-making levels of the structure.

An attempt will be made to explain the general theory of decision-making which continuously take place in the micro-environment of any organisation.

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## CHAPTER 5

### GENERAL DECISION-MAKING THEORY

#### 1. Introduction

The importance of the decision-making process is reflected in the following two quotations:

".....the decision-making process.....lies at the heart of all management activity." (Haynes, 1980 : 70)

"Decision-making....is the dynamic element that activates and sustains the managerial process." (Harrison, 1981 ; 10)

Decision-making is one of the most complex processes within any management process as there are no set procedure manuals to assist the decision-maker, especially in complex situations where immediate action is required on a strategic level. Lower down the organisation at operational level, however, the decision-making process is more simple as the majority of the decisions are mainly routine in accordance with prescribed policy.

A description of the general theory of decision-making will serve as an introduction to the discussion in the next chapter of decision-making theory in local government. The general theory of decision-making will include:

- the definition and process;
- decision-making models developed for the purpose of assisting decision-makers to make the most correct decision;
- implications of these decision-making models at local government level; and
- decision-making aids which attempt to place the process on an objective basis by quantifying all identified variables to facilitate the selection of the best alternative.

## 2. Definition and process

Despite the complexity of decision-making there appears to be no difficulty in defining decision-making, as writers such as Robbins (1980 : 65), Gortner (1981 : 194) and Hanekom and Thornhill (1983 : 63) agree that the definition boils down to the basic concept of choosing between alternatives.

The choice between alternatives is a process which takes place in the form of a number of steps. Gortner (1981 : 194) states that theories vary from the three-step models of John Dewey and Herbert Simon, to more elaborate five-step models developed by Alver Elbing.

It is sometimes assumed that the basis of all decision-making processes are rational and that only the rational aspects in decision-making should be concentrated on. This assumption has been supported by writers such as Robbins (1980 : 168) who is of the opinion that a rational person is aware of the available possibilities and is in a position to determine the consequences thereof and to make a free choice in terms of his value judgements.

Fox, Schwella and Wissink (1990 : 40) point out that Baybrooke and Lindblom dispute the foregoing and hold the view that democratic decision-making is characterised by incremental decision-making. This is known as disjointed incrementalism and according to Fox, Schwella and Wissink (1990 : 40), it seeks to transform decision-making strategy to fit into the situation of limited cognitive and resource abilities, information collection and computation. This model is explained in section 3 of this Chapter.

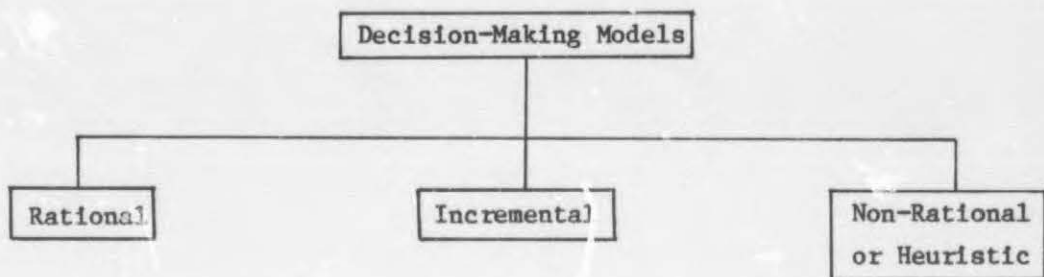
Simon (1960 : 2) also disputes the model of rational decision-making and replaces the idea of maximising with "satisficing behaviour". As indicated earlier Simon supports the view that the relevant decision-making body does not use a systematic model of advantages and disadvantages, but rather studies all the possibilities one for one until it satisfies the minimum standards which are regarded as satisfactory.

### 3. Decision-making models

Hanekom and Thornhill (1983 : 78 and 79) state that decision-making models can be arranged into two groups: the rational and the non-rational or heuristic models of decision-making.

The incremental model is discussed by Hanekom and Thornhill (1983 : 79) but is not included in their initial groupings. The incremental model occupies the midpoint between rational and non-rational decision-making models on a continuum and is included between the two groups of decision-making models. (Refer to Figure 4).

Figure 4



#### 3.1 Rational model

Hanekom and Thornhill (1983 : 78) define rational decision-making as a cold, calculated process excluding intuition, emotions, and sentiments, in which only the "hard" facts are taken into account when a choice is made among alternatives.

Hanekom and Thornhill (1983 : 78) submit the following phases in rational decision-making:

- determination and description of problem or goal;
- collection and analysis of data;
- development of alternative solutions;
- evaluation of alternative solutions;
- selection of the best alternative;
- analysis of the results of the decision; and
- implementation of the decision.



### 3.2 Incremental model

Hanekom and Thornhill (1983 : 79) explain the basis of this model "as the view or proposed situation differs only marginally from the existing situation and requires a decision affecting only the marginal difference". It is therefore accepted that the existing condition or policies are adequate and by relying on the existing conditions or policies, the decision-maker approaches each problem or goal in an incremental fashion.

Hanekom and Thornhill (1983 : 79) further conclude that the advantage of this model is that it obviates original thinking, speeds up decision-making, and is relatively inexpensive in comparison with rational comprehensive decision-making. The shortcoming is the acceptance of the adequacy of existing policies thereby emphasising the conservative approach. This negates the opportunity for creative thinking.

### 3.3 Heuristic model

Hanekom and Thornhill (1983 : 80) describe this model as a process where past experience is evaluated and a solution sought by trial and error - a sort of groping for agreement and consensus seldom arrived at by logic. Hanekom and Thornhill (1983 : 80) state further that this model is flexible as the purpose is continuously analysed and re-interpreted. As this model is more flexible than rational decision-making, a subjective decision-maker can distort facts to the extent that decisions reflect purposes removed from reality, and simply represent the views of the decision-maker. It is further argued that human values, intuition and subjectivity enter into the process.

#### 4. Implications at local government level

Decision-making at local government level could be seen as a combination of the various decision-making models in certain cases. At certain levels within the hierarchy rational decision-making could be applied, for example, the evaluation of tenders. The heuristic model could also be applied, for example, in the data processing branch for the creation of new computer programmes. Finally, at the higher executive levels within the hierarchy satisficing behaviour could be exercised by senior officials to satisfy the demands of councillors at the political level.

Satisficing behaviour, proposed by Simon (1976 : 79) has by his own admission according to Fox, Schwella and Wissink (1991 : 41) been reduced with the growth of information technology. Furthermore, with the increasingly higher standards expected by the ratepayers with their greater knowledge and expertise, minimum standards are no longer regarded as satisfactory.

#### 5. Traditional decision-making

Hanekom and Thornhill (1983 : 77) have identified the following functions of decision making, namely to:

- solve problems;
- simplify the achievement of goals;
- reach a desired future state of affairs;
- improve the welfare of the community;
- improve efficiency;
- expedite work; and
- consider the consequences of an activity before undertaking it.

The achievement of these functions through the process of decision-making is more complex, as a decision-maker especially in a complex situation, does not possess a neat set of quantified alternatives to provide the decision-maker with a guide to select the

best alternative to formulate the most correct decision. This problem is compounded as decision-makers in local government must select the best alternative against the background of conflicting values and still satisfy the actual needs of the community.

Hanekom and Thornhill (1987 : 75) state that decision-making should reflect the values and needs of the community and that the decisions taken should be within the guidelines or norms of public administration. These writers reiterate that the decisions taken by officials should not reflect their personal views, nor substitute their personal views for community values. The same would apply to councillors as they are also participants in the decision-making process.

In view of this complex nature of decision-making, Nigro and Nigro (1984 : 220) have identified certain common errors. These errors are especially common in the defined traditional approach:

- cognitive near-sightedness;
- assumption that the future will repeat the past;
- oversimplification;
- overreliance on one's own experience;
- preconceived notions;
- unwillingness to experiment; and
- reluctance to decide.

To overcome the errors listed by Nigro and Nigro above and the disadvantages of the various decision-making models listed in Section 4, writers such as Stoner (1978) have attempted to improve the general effectiveness of decisions. To develop a model for application on local government is complex, as every situation or issue is not the same and will require a different approach due to the influence of subjective tendencies.



The implications of the foregoing as well as the decision-making models discussed in Section 4, has necessitated a definition of the type of decision-making which takes place at local government level. The traditional approach refers to the making of decisions without the decision-makers taking full cognisance of the possible effect of the trends and influences prevailing within the external environment, as well as the future implications of such decisions taken. For the purpose of this discussion it is referred to as traditional decision-making. This is also referred to as the closed system approach.

Traditional decision-making is defined for the purposes of this study as decisions which are formulated according to a closed system approach without taking into account the prevailing contextual circumstances. This approach does not fully achieve the functions listed by Hanekom and Thornhill (1983 : 77) and lends itself towards the making of common errors identified by Nigro and Nigro (1984 : 220).

In addition to the above, it will also appear that decision-making at local government level is formulated within a closed system which is directly opposed to the open system approach explained in Chapter IV.

In each decision-making model including the traditional decision-making approach defined above, there are various aids which could be utilised by the decision-makers in order to place the process on an objective basis. This can be achieved by quantifying all the identified variables to facilitate the selection of the best alternative.

## 6. Aids in decision-making

In each decision-making model there are various aids which could be utilised by decision-makers in order to place the process on an objective basis by quantifying all the identified variables to facilitate the selection of the best alternative.

Irrespective of the type of decision-making model adopted by the decision-makers, Schwella (1985 : 84) is of the opinion that certain decision-making aids are more suitable in the higher levels of the organisation where decision-making is not programmed. He is further of the opinion that other decision-making aids will be best suited for the lower levels within the organisation where the decisions are programmed and more routine.

Robbins (1980 : 71 and 74) defines programmed decisions as those decisions which are repetitive and routinised. Gortner (1986 : 196 and 197) further defines programmed decisions as those decisions which do not have to be remade and which are turned over to the lower levels of the organisation. In contrast, Gortner (1986 : 197) defines non-programmed decisions as those that have a key impact on the organisation and are usually handled by administrators at higher levels of the organisation. Furthermore, these decisions require an analysis that cannot be based on prior circumstances, therefore, they include a level of risk or uncertainty.

Schwella (1985 : 84) points out that as most high level decisions are undertaken by groups such as councils and committees the following aids are available for effective decision-making, namely, brainstorming, synetics and the nominal group technique, as expounded hereunder.

Brainstorming is a technique whereby a number of persons take turns to generate a number of ideas without critical discussion regarding a particular problem for a specific period of time. Alternative solutions are generated and noted for later discussion and analysis.

Synetics as a technique is based on the concept of using analogies to assist in the two processes of making the strange familiar, and making the familiar strange so that a common understanding may be developed of the subject under discussion. Thereafter, the solutions are usually developed on the basis that the familiar is made strange, for during this period those involved in the decision-making process make a conscious effort to look at the problem from a completely different point of view.

Finally, the nominal group technique restricts discussion or interpersonal communication during the decision-making process. The members meet as a group and each member presents one idea at a time to the group. The group then discusses the ideas in order to clarify and evaluate them. Each one of the members of the group then silently and independently ranks the ideas in order of preference. The final decision is determined by the idea obtaining the highest aggregate ranking.

Schwella (1985 : 87) proceeds with this exposition by pointing out that after the policy objectives have been set, the executive action to implement this policy must be undertaken. These decisions are taken at the lower levels and as indicated previously, they are more programmed and less influenced by political factors as well as being better suited for the use of quantitative decision-making aids.

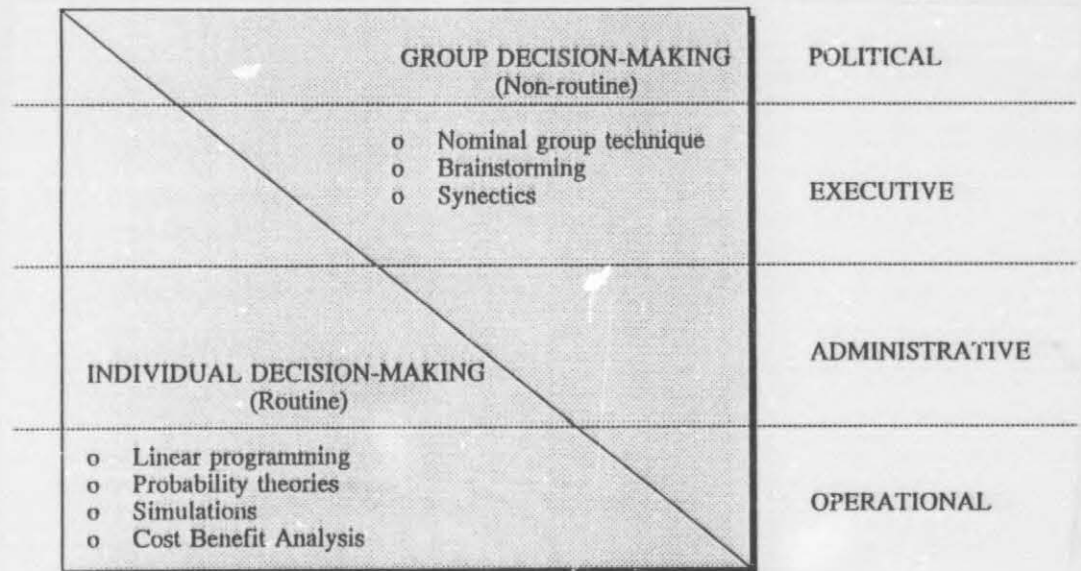
For this type of decision-making situation there are a number of decision-making aids for example, linear programming, probability theories, simulations and cost benefit analysis. These methods will not be discussed in detail here as the emphasis of this text is focussed on group decision-making.

In order to summarise the foregoing, the levels of decision-making as propagated by Cloete (1980) are schematically presented hereunder in Figure 5, which portrays the location of group decision-making and individual decision-making within those levels, as well as the decision-making aids best suited for those levels.



Figure 5

LEVELS AND TYPE OF DECISION-MAKING  
WITHIN THE ORGANISATION



## 7. Summary and conclusion

In the decision-making process a rational approach cannot be used to solve all assignments with a value dimension, it could however, minimize the irrational element and facilitate objective measurement and calculation.

In order to assist the decision-making process, especially in large local authorities, it is necessary for a stable organisational and functional structure to be established. Additional factors such as a firm and established decision-making hierarchy and value recognition will facilitate effective decision-making and easier implementation.

Decision-making models are in effect, a representation of reality and contribute towards the search for alternatives and more successful decision-making. An important advantage of decision-making models is that it can signal problems or difficulties timeously so as to avoid a full-scale commitment of resources to a particular course of action.

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## CHAPTER 6

### LOCAL GOVERNMENT DECISION THEORY

#### 1. Introduction

The explanation of general decision-making in the previous chapter served to explain the definition and process of decision-making, the various models for decision-making, as well as the various decision-making aids which are available to assist the decision-makers to make the most correct decision.

This general theory of decision-making is applicable to most organisations in the private and public sector which includes local government. However, due to the uniqueness of the environment in which local government is placed, the constitutional framework in which it operates, as well as the nature of its objective to improve the general welfare of the community, it is necessary to consider the implications of decision-making at local government level.

As explained in Chapter 3, the upholdment of the philosophy of democracy as well as the continued justification of its existence are two essential characteristics which must always be taken into account throughout the decision-making process at local government level.

To understand the exact implications of the foregoing it is necessary to expand the general discussion of decision-making in Chapter 5 to decision-making in local government, specifically to facilitate the evaluation of traditional decision-making.

To achieve the foregoing, an understanding of the following aspects is necessary and must be taken into account in local government decision-making:

- the role of democracy in decision-making;
- participation within the parameters of democracy;
- the role of the participants in the decision-making process;
- the influence of values and norms in decision-making; and
- the role of perceptions of all the participants.

The chapter will be concluded with a discussion on the function of decision-making and common errors found in decision-making at local government level.

## 2. Role of democracy in decision-making

No effort will be made here to explain the philosophy of democracy and its principal characteristics as this has been explained in Chapter 2. However, democracy is mentioned here as it is an integral part of the local government system especially with regard to decision-making so as to enable all interested parties to participate in this process.

Hanekom and Thornhill (1983 : 132) state that democracy is a prerequisite for any public activity, as it must not only be taken into consideration to guarantee the acceptance of policies, but also to ensure the co-operation of the community when the success of executive actions depends on persuasion and co-operation.

Craythorne (1979 : 30) attempts to determine the extent of democracy which prevails at local government level, but concedes that there are a number of practical problems, such as people's knowledge of public affairs, the role of opposition or criticism, uniformity and accountability.

Craythorne (1979 : 31) summarises the foregoing by stating that democracy in local government embraces:

- a basis of elected representation;
- a concern for the needs of all citizens, whether or not they have a vote;

- the right of all citizens to appeal against administrative decisions;
- the right of all citizens to submit requests to those who govern them; and
- the right of citizens in general, i.e. for some citizens to expect some or other form of employment prospects.

If all these points are accommodated then it is natural to assume that the rights and views of all concerned persons will be taken into account in the decision-making process. Further advantages to be derived, will be that more objective and acceptable decisions will be formulated which will assist in the achievement of the ultimate objective.

The achievement and upholdment of the philosophy of democracy throughout the decision-making process is based on the concept of participation which is discussed in section 3.

### 3. Participation

Within the parameters of Ranney's (1971 : 76) definition of democracy, Cole (1974 : 2) states that as a philosophical idea, participation is a product of two schools of academic thought; the sociological view concerned primarily with the effect of the loss of community on society as a whole; and the political science view concerned mainly with the effects of non-participation on the individual's psychological and educational development.

Collins (1974 : 12) continues to distinguish between two types of participation:

- direct participation, for example referenda and public meetings;
- indirect participation through political representation and the exercise of the right to vote.



The Journal for Studies in Comparative Local Government (1970), submits the purpose of public participation as being twofold. Firstly, the publication states that participation is a means for:

- collecting information;
- facilitating policy determination;
- promoting communication between the residents and the local authority; and
- facilitating the acceptance of the activities of the authority.

Secondly, the publication states that participation is an objective for:

- expanding local democracy, self-government and citizenship; and
- promoting community development.

Todes and Watson (1987 : 94-98) have identified eight significant factors determining the viability and effectiveness of community based participation. These factors are discussed briefly hereunder:

- the free availability of information from the local authority and permission to attend council meetings;
- the range of functions on which the participatory structure is consulted is severely limited and confined to less important functions;
- the use of participation as a means of social control or as a strategy of legitimation;
- local authorities may give participatory structures financial support where their motive for participation has been that of social control and to manipulate the organisation;
- the extent to which people feel they will make material gains from their involvement, will be the function of both the "breadth of activities" which the organisation involves itself in and the extent of the resources at its disposal;

- participatory structures may be set-up in order to establish control over the community through the mechanism by which the office-bearers are chosen;
- the representative nature of the community-based participatory structure is an important factor as, for example, the consequence of middle-class dominance means that a significant percentage of the community remains unrepresented and unconsulted;
- to sustain the interest of the people in the community on a long-term basis, depends on the expectations surrounding participation exercises and the gains which could be made from the involvement in them;
- the success of community-based organisations depends on the local authority support in its initial stages, but on the other hand, the curtailing or limiting of support to these organisations may lead to their demise;

Community-based participation as expounded by Todes and Watson (1987 : 94-98) could be conducted within the mode of party politics, but it has certain definite advantages as well as detrimental consequences in relation to the factors determining the viability and effectiveness of community-based participation.

As regards the advantages and disadvantages associated with party politics at local government level, Van Zyl (1987 : 11) has identified that a challenge exists for the councillors and the officials to maximise the advantages and to minimise the disadvantages. Van Zyl (1987 : 11) lists the following disadvantages of party political involvement in local government:

- interests of the voters are less important than those of the party;
- party political confrontations and debates at council meetings which are of no or little interest to the residents;
- forming of groups;
- disassociation of the opposition to resolutions passed by the majority party.

On the other hand, the advantages of party political involvement listed by Van Zyl (1987 : 11) include:

- greater involvement by voters;
- improved co-ordination and co-operation;
- improved discipline and order within the council;
- improved training of candidates and councillors; and
- improved communication between the council and the voter.

#### 4. Participants

Participation in the decision-making process at local government level includes three participatory groups, namely the elected representatives/councillors, officials and members of the community. This section will give attention to the role of elected representatives/councillors and officials only, as they attempt to improve the general welfare of the community through the satisfying of their needs.

##### 4.1 Elected representatives/councillors

Du Toit, (1985 : 23) refers to municipal elections, where a particular candidate draws more votes than the opposing candidate and is deemed the winner of the election, and questions the fact as to who is really represented by the representative and what is he representing. He is of the opinion that these questions can be answered by examining the different interpretations of the style a representative should have.

Du Toit, (1985 : 23) submits three styles of representation. Firstly, the representative is seen as a delegate where he reflects the characteristics, demands and wishes of all the people whom he represents. In terms of this interpretation the representative is seen as an agent or messenger of his ward.



The second style is where the representative acts on behalf of the voters by giving his attention to their demands and wishes, but not directly. He is instead permitted to use his own initiative to promote their interests. In this particular case he is referred to as a trustee.

Finally, the third style is a combination of the two above styles. Often referred to as "politicos" ".....Politicos are political representatives who fight for approval of the bread-and-butter legislation favoured by their constituents, while taking forceful, independent stands on issues that do not directly engage the "pocket book" interests of those constituents" (Du Toit : 1985 : 23). The idea of this style is to combine the benefits of the first two styles and to permit the representative to assume a leadership role within the community.

Irrespective of the role or style the elected representative may decide to adopt, De Jager (1985 : 35) stipulates that individual councillors do not possess general powers to bind their council through their actions when representing their ward. De Jager (1985 : 35) further states that the council is also restricted from delegating any of its powers or authority to an individual councillor to act on its behalf when representing his ward or voters. The councillor does, however, possess certain legal rights or powers, and is entitled to:

- freedom of speech;
- free access to records;
- full participation at meetings; and
- remuneration for services rendered.

In view of these rights and powers listed above, De Jager (1985 : 36) states that a number of duties exercised by a councillor are based on the exercise of his unbiased discretion, and that he should safeguard against substituting the values of the community for his own personal values and concentrate on promoting the welfare of his electorate.

It is clear that in order to be successful, the elected representatives must have the ability to reconcile the conflicting demands within the different sectors of the community and also obtain consensus. At the same time the elected representatives must not undermine those issues which could be regarded as being of national interest.

#### 4.2 Officials

Cloete (1980 : 26) states that political office bearers should know the theory and practice of government, and administrators should know the theory and practice of public administration. This statement is not incorrect but it is now accepted that the political functions and administrative functions can not be separated, especially in practice.

Meiring (1989 : 104) supports the view that politics and administration play a continuous role in both the formation and execution of decisions.

Traditionally, officials were expected to adapt to the changes within the local government environment in conjunction with the changes in the political environment, and also to ensure that the councillors have the necessary and correct information to make the most correct decision.

Meiring (1989 : 106) states that with the increasing complexity of local government and administration, there has been a shift in functions undertaken by councillors and officials. Officials in executive positions are becoming more involved with regulatory and related aspects regarding decision-making. In this regard the regulatory function of decision-making includes the solving of conflict, allocation of values and the delegation of authority.

In view of the foregoing, decisions taken by officials are not in isolation or independent of the decisions taken by councillors.

Meiring (1989 : 107) states that the official functions of the councillors in a political environment and the decisions taken by officials, have an affect on the welfare of the citizens within the community.

The officials are also expected to choose between alternative methods of action, which also means a choice between values. The consequences of such a decision may also cause conflict within the community.



Finally, the official is expected to be aware of the needs of the community and that it should receive a higher priority than the existence of the post, department or local authority to whom he is attached. Co-operation between councillors and officials with regard to values exists and both the councillors and officials must be involved in the factual information and value judgements in decision-making.

## 5. Values and norms

All three participatory groups in the decision-making process, of which two were discussed, hold and express certain values and norms. The values and norms of the community should receive priority above the values and norms of the elected representatives/councillors and the officials, if effective decision-making is to take place.

Gortner (1986 : 47) has given attention to values and norms and states that there are three types of norms, namely the law, rules of custom and moral precepts which become involved in the interactions between a public body and those with whom the body must deal. In view of the foregoing, Gortner (1986 : 48) states that "if a public agency can align itself with important norms in society it can strengthen itself in the political world".

Gortner (1986 : 49) points out that the norms and ideals that are expressed by a public body are very important. Gortner (1986 : 49) states further ".....any public official must know which norms are accepted by the important groups surrounding the body. It is essential to maintain the proper balance between commitment and flexibility so that the public bureaucracy can maintain the support of these groups within the political system that give the body the chance to succeed" (Gortner 1986 : 49).

Cloete and Hanekom (1985 : 96) are of the opinion that when public policy is being formulated, a study of the role of values should be included. This statement is also applicable to decision-making as policy-making comprises a series of decision-making processes.



Cloete and Hanekom (1985 : 96) state that there are numerous values to be analysed, for example, values of political parties, personal values, religious values and values legitimised by law and custom. Every person has his own values which shape his judgements, which will never make it possible to satisfy the values of all the individuals. Therefore, compromises will have to be made.

In practice, local government must, during the decision-making process, reconcile all the value judgements prevailing within the community as voiced by the elected representatives. It must be accepted that the values identified will always be embodied in the decisions taken by local government.

## 6. Perceptions

Local government functions in a unique environment where the members of the community have unique needs, interests and expectations. As shown in the decision-making process, local government is influenced by the environment and the environment is in turn influenced through the formulation of policies to improve the general welfare of the community.

Meiring (1989 : 76) agrees that this is a complex matter, especially with regard to the question as to "what" should be done, as it will depend on the perceptions of the participants, namely the councillors, the officials and the members of the community. The satisfying of needs will depend on the consensus achieved between the respective participants. Meiring (1989 : 77) is of the opinion that these considerations will depend on the answers to the following questions:

- what do the members of the community desire?
- what is the perception of the members of the community with regard to what should be done?
- what do the members of the community expect to receive?

The environmental factors not only influence the needs of the members of the community, but also influence the norms and values of the community. Against this background the individual will develop his own perception with regard to what is desirable and essential.

In practice local government is confronted with conflicting and competitive demands for the satisfying of needs. In this regard consideration must be given to the different groups within the community who each have their own different needs and strive to have these different needs satisfied.

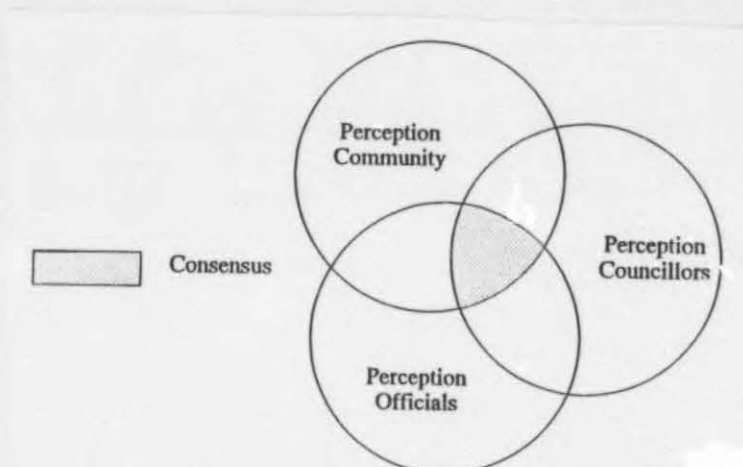
As mentioned previously, the different environmental factors which influence decision-making makes the search for consensus within local government environment more complex.

Meiring (1989 : 81) states that effective and efficient decision-making will depend on the degree of consensus achieved between the relevant participants. Meiring (1981 : 81) states that the extent of the consensus will indicate the degree of reconciliation which is possible and will also provide a basis for action.

Meiring (1989 : 82) has submitted the following diagram (shown in Figure 6), which portrays the perceptions of the participants at local government level.

Figure 6

PERCEPTIONS ON LOCAL GOVERNMENT LEVEL



## 7. Summary and conclusion

Democracy at local level is a prerequisite for effective decision-making to enable all interested and affected parties to participate in this process and therefore it is essential that provision is made for free, effective and full participation by all.

In the present changing constitutional environment, prevailing weak economic climate and increasing social needs, greater demands are being placed on the elected representatives and officials. Due to this changing scenario, the tendency is for greater co-operation between the elected representatives and officials and the removal of the distinction between the political and administrative roles.

The norms and values of the community as well as the perceptions experienced by all the participants does influence the decision-making process. In order to overcome these subjective tendencies successfully, all participants should strive for consensus when attempting to reconcile these values and norms without losing sight of the ongoing and changing dimensions in the environment.



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## CHAPTER 7

### NORMATIVE CRITERIA FOR DECISION-MAKING IN LOCAL GOVERNMENT

#### 1. Introduction

Decision-making is an important continuous auxiliary function which is necessary to expedite the generic administrative functions and may be seen as an aid, which is implicit to and inseparable from the comprehensive administrative process (management). As decision-making is an important part of the total administrative process, the effectiveness of local authorities is often evaluated on their ability in this area.

An excellent decision, one based on information that has been gathered, analysed and evaluated effectively - may turn out poorly because of an unforeseeable event. Conversely, an unpredictable event may turn a bad decision into a good decision. For these reasons, decisions should be evaluated on the basis of the situation at the time they were made, rather than after the results have been received.

In view of the foregoing, various decision-making models and aids have been proposed to reduce the uncertainty in decision-making and to minimize the risk (refer to Chapter 5). The purpose of this Chapter is to identify and define all the criteria by which a decision's potential effectiveness can be determined within the local government environment.

Based on the historical origins and development of local government researched in Chapter 2, two important considerations were identified as being essential for effective decision-making. Firstly, the upholdment of the philosophy of democracy so that all persons may participate and secondly, the effective achievement of the purpose of local government, namely to improve the general welfare of the community.



Arising from the discussion in Chapter 6 on values and norms, information will be needed by the decision-makers on the prevailing values and norms of the community. Information will also be required for the determination of the cost implications and potential benefits to be received, so as to satisfy the efficiency consideration in Chapter 3.

In view of the foregoing, the following normative criteria have been identified as essential for effective decision-making:

- the legitimacy criterion;
- the effectiveness and efficiency criteria; and
- sufficient information criterion

Each of these normative criteria will be explained fully in this chapter as well as the factors necessary for their successful application.

Actual decision cases will be selected from the case study to ascertain whether these normative criteria have been applied and if applied, the extent to which they have been applied. The actual success or failure of the decision will confirm whether these criteria are valid.

The success of the decision will be based on whether the decision has been successfully implemented or subsequently repealed or rescinded.

## 2. Decision-making criteria

### 2.1 Legitimacy criterion

Fox, Schwella and Wissink (1990 : 143) reiterate that one of the guiding principles of public administration is the adherence to the aims of democracy. Easton (1979 : 278) states that legitimacy is the acceptance of an organisation by the people as to whether they can identify with it, as it gives expression to their values, needs and expectations. Easton (1979 : 278) further states that the establishment of a sense of legitimacy is probably the single most effective device for regulating support in favour of the authorities.

Esterhuyse (1987 : 314) indicates that there are three dimensions of legitimacy as identified by Easton, which are:

- justification ideology and values;
- satisfying the needs and expectations of people; and
- the trust and confidence people have in the personnel of the organisation.

Based on the definition of legitimacy and the dimension submitted by Esterhuyse (1987), the legitimacy criterion in decision-making can be tested against three factors:

- whether the principles of democracy as propagated by, for example, Ranney (1971 : 76) have been complied with;
- whether the decision is acceptable to the majority of the members within the community, in other words, the success achieved in reconciling the different values of the community;
- acceptance of the decision within the local authority by the officials, especially on the administrative and operational levels within the organisation, as they will be responsible for implementing the decision;

Botes (1988 : 179) states that legitimacy and acceptance are closely linked. Legitimacy in decision-making means that elected municipal councils could determine its own fate. The continued existence of local government is dependent upon its ability to satisfy its political aspirations, depending on its power and authority, which is also closely linked to the legitimacy criterion.

## 2.2 Effectiveness and efficiency criteria

In the public sector environment, especially at local government level, the local body is traditionally evaluated on its degree of effectiveness and efficiency, as it is not a profit-making organisation.

The decision-maker within the local government tier strives to achieve the effectiveness and efficiency criteria throughout the decision-making process. Epstein (1984 : 11) defines effectiveness in local government as the degree to which services are responsive to the needs and desires of the community. Effectiveness includes both the quantity and quality aspects of the service. In other words, has the decision achieved the objective to the satisfaction of all concerned.

Epstein (1984 : 11) refers to efficiency as the ratio of the quantity of service provided to the cost required to produce this service. Efficiency relates to the cost of the activity decided upon in order to achieve the ultimate objective. Economic considerations can not be ignored in decision-making as each expenditure on resources should bring an accompanying positive result. Local authorities can not continue to exist over a period of time if they continue to deplete scarce resources as this will eventually place an unnecessary burden on the ratepayers.

For effectiveness and efficiency to be included as criteria for successful decision-making in local government, it should encompass:

- cost justification;
- accrual of economic and other benefits;
- validity with regard to the ultimate achievement of the mission or objective of the local authority.

Hodge and Anthony (1988 : 147) state that an organisation can be effective without being efficient, or may be efficient without being effective. An example of the former is where a local authority as a result of community pressure and outcry, build a city hall which is not fully utilised but nevertheless is a facility which caters for the cultural needs of the community. The efficiency factor is not achieved, however, due to the maintenance and administrative costs necessary to fund all those activities that are essential to maintain the facility in the event it is needed for a cultural event.



### 2.3 Sufficient information criterion

In any decision-making situation, sufficient and accurate information as well as the availability of technical knowledge concerning the particular matter, will facilitate effective decision-making. Van Wyk (1990 : 14) states that in order to deal with a problem effectively, it is essential that the problem be approached in a systematic and logical manner. Van Wyk (1990 : 14) states further that all sources should be referred to, interviews should be conducted with all the participants concerned and the advice of authoritative and knowledgeable persons within that particular field should be requested. The validity of all facts obtained should also be tested prior to formulating the decision. This approach will minimize the risk and assist in developing the most correct decision.

The approach explained above could be applied to those situations where the decision-maker is confronted with new and novel problems for which there are no established and routine procedures and where sufficient time is available. This approach is not favoured by Schwella, Fox and Wissink (1990 : 142), as they claim that the emphasis will be placed on previous experience and not on creativity. According to these writers the tendency will be towards satisficing rather than optimising, which will lead to solutions that are unlikely to stray much from the status quo.

In situations, where an immediate decision is required and time is limited, the above approach could not be applied. It will appear that in this type of situation the decision-maker will still rely on previous experience and will still tend to emphasise approaches that are relatively familiar when selecting a suitable alternative.

However, Van Wyk (1990 : 14) points out that the more complete and accurate the information, the more effective decision-making will become.

### 3. Summary and conclusions

The legitimacy criterion is essential in the decision-making process as the success of the decision will depend on whether the people who are affected by the decision can identify with it. This will also add value to their values, needs and expectations. The effective and efficiency criteria are also regarded as essential as they will assist in determining whether the organisation has been able to achieve its objective in the most economic manner throughout the decision-making process. Finally, the third criterion, sufficient information is necessary as it facilitates more effective decision-making.

The three identified criteria can never be fully achieved in every single situation where a complex decision has to be taken. It must be accepted that in certain instances, the legitimacy criterion will be of high importance but the effectiveness or efficiency criterion will not be achieved and be regarded as of low importance.

In view of the above explanation it is clear that the full achievement of each of the three criteria is not easy, but should nevertheless be striven for by all decision-makers to ensure that the most correct and effective decision is formulated. Every decision-making situation should be analysed in accordance with the criteria, which should be satisfied foremost in order to achieve the ultimate objective of the local authority. Each criterion is also of equal importance.

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## CHAPTER 8

### SELECTED CASE STUDY : BELLVILLE CITY COUNCIL

#### 1. Introduction

To achieve the purpose of this thesis, namely to determine the feasibility of traditional decision-making in a large local authority, it was necessary to select a large local authority from which decision cases could be selected for analysis.

Bellville City Council was selected as it is one of the largest local authorities in the Cape Town metropolitan area. It also complies with all the other criteria necessary to facilitate this analysis, for example, a firm and established organisational and functional structure, approved and tested powers of delegation within the organisation, established levels of decision-making and authority, established policy with regard to strategic and forward planning and finally, a well administered archive registry reference system.

The purpose of this chapter is to sketch the historical background and the organisational and functional environment of the local authority in question, so that the selected decisions may be seen within this context.

To achieve this purpose, the position of Bellville City Council will be discussed in terms of:

- its placement within the constitutional framework;
- historical background;
- organisation and functional development since 1980;
- future strategies.

## 2. Constitutional framework

The Republic of South Africa is a unitary state with three levels of government - central, provincial and local government. The powers on central government level are divided into legislative, executive and judicial institutions. On the provincial and local government levels the authority is divided between legislative and executive institutions. The institutions on each of the three government levels have a role in the policy-making and decision-making process.

The Republic of South Africa Constitution Act, No. 111 of 1983, provides the constitutional framework within which the legislative, executive and judicial institutions are established and within which these functions are carried out. The Constitution is thus the collection of "legal rules" in terms of which South Africa is regulated and administered on each of these three levels.

The Provincial Government Act, No. 32 of 1961, stipulates that provincial authorities should regulate municipal matters. In terms of this Act, local authorities are subject to the authority of the provincial authorities.

The provincial authorities of each of the four provinces in South Africa have, with the passing of time, drafted a series of ordinances to control local matters such as:

- the registration of townships;
- composition, authority and activities of councils;
- personnel; and
- financial arrangements.

It is clear from the constitutional structure presented above that local government is a manifestation of devolution (political decentralisation) with some decision-making and executive autonomy. However, due to its subordinate position within the constitutional hierarchy, it will never be vested with full or total autonomy.

On the question of local autonomy, Craythorne (1980 : 14) submits two examples to illustrate this point. Firstly, local government is limited in area (municipal area) and secondly, local government is also limited in legislative powers as it cannot itself promulgate bye-laws it decides upon.

Despite the subordinate status of local government, Van Rooyen (1985 : 9) points out that it is still empowered to carry out specified services which are essential for the maintenance of an orderly society, in accordance with:

- autonomous decisions made by their own elected councils acting as a policy-making body; and
- policy laid down by a higher level government institution.

It is within this constitutional framework within which Bellville City Council as a local authority is placed.

### 3. Historical trends and background

Strydom (1981 : 45) states that the two forerunners of municipal government in Bellville were the Bellville Protection and Vigilance Association 1918-1922, and the Village Management Board (VMB) 1922-1940. The difference between the two was that, the Vigilance Association had no standing in law, while the VMB was a statutory body. According to Strydom (1981 : 45) both did extremely useful work, the one in its private capacity and the other as an integral part of the machinery of local government in the Cape Province. The older body prepared the way for a statutory local authority in Bellville.

Strydom (1981 : 57) states that the Provincial Secretary, in a letter dated 29th July 1940 to the Village Management Board, advised that the Administrator had announced that the Village Management Board of Bellville would cease to exist and that the Municipal Council would take its place.



In 1979 the City of Bellville Private Ordinance, 1979, was promulgated which provided that the Town of Bellville be known as the City of Bellville and that the Council shall be called the City Council of Bellville.

According to Strydom (1981 : 105) the first town plan for Bellville was approved in 1948 and revised in 1958. The total surface area of the municipal area is 6 000 ha, of which 2 650 ha had been developed in 1979. Approximately 751 ha is not available for development purposes.

Strydom (1981 : 107) further states that in 1955 it was reported in the Cape Times, that the valuation stood at over R10 million and in 1979, Die Burger reported that the rateable value was calculated at R500 million. At present the municipal property valuations for the municipal area of Bellville are being finalised and it is estimated that this figure will increase dramatically, partly as a result of all the development which has taken place since 1979.

Strydom (1981 : 106) stated that the first factory in Bellville was for filtering and bottling mineral water in 1880, but the major industrial break-through came in the early fifties, when the Municipal Council acquired a large area of Crown Land in Bellville South and developed this into an industrial township with railway siding facilities. The total Bellville area zoned for industrial purposes is 462 ha.

Over the years the City Council of Bellville has established a firm and viable infrastructure for the provision and maintenance of all essential, emergency and cultural services to the community which has also fostered and encouraged industrial, commercial and residential development within the municipal area.

#### 4. The functional and organisational development since 1980

The Municipal Council of Bellville is composed of 12 elected Councillors. The Council not only has legislative powers but also executive authority. The capacity of the Council is not limited to the making of policy and bye-laws, but may also decide on executive matters such as the appointment of personnel.

The three Standing Committees of the Council consist of elected councillors of the Council who have been convened in accordance with functional specifications and not geographic specifications, for example, finance and protective services.

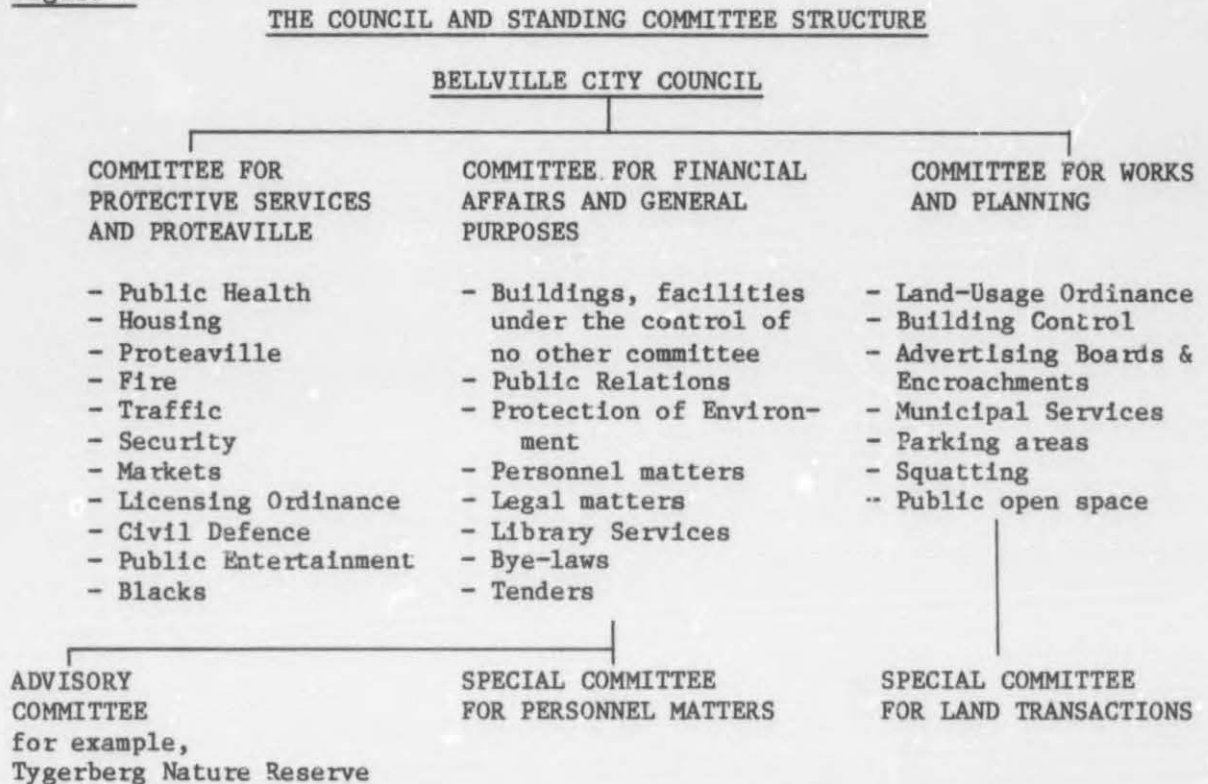
These Standing Committees meet monthly to consider aspects of the Council's work and make recommendations to the full Council. The membership of the standing committees comprise the same 12 elected councillors. The chairman of each Standing Committee is elected each year by a Council caucus consisting of the same Council members. The qualifications or criteria for chairmanship are not set or applied formally. The election process within the Council caucus is conducted by means of a secret ballot. The portfolios of these Standing Committees is presented schematically in Figure 7. According to Meiring (1989 : 48) this system is referred to as the multiple committee system.

The approved Powers of Delegation have also made provision for the Council to establish the following Special Committees in terms of section 59 of the Cape Municipal Ordinance, No. 20 of 1974.

An Advisory Committee is a Committee convened by the Council for a specific purpose, to which the Council may refer any matter for investigation and report, for example, any matter which relates to the administration of the Tygerberg Nature Reserve. The Special Committee for Personnel Matters, considers and submits recommendations to the Committee for Financial Affairs and General Purposes concerning personnel matters. Finally, the Special Committee for Land Transactions, considers and submits recommendations to the Works and Planning Committee concerning all price negotiations regarding property in which the Council is involved.

The Council and its committee structure, detailing the relevant portfolios of responsibility are schematically presented in Figure 7 hereunder:

Figure 7



The administration of all the emergency, essential and cultural services and functions is controlled and co-ordinated by the Administrative Committee, consisting of the relevant heads of department under the chairmanship of the Town Clerk. This Administrative Committee was convened officially for the first time in 1981.

The Administrative Committee was appointed by the Council and derived its powers from the Council, and could only act within the limits of delegated authority, that is within the prescribed policy, directives and wishes of the Council. This Administrative Committee is presently referred to as the Executive Management and operates on the same basis as explained above, but with changes in the membership composition due to subsequent changes in the functional structure.



The Executive Management has delegated decision-making powers and also refers recommendations for consideration/approval to the various Standing Committees of the Council, or to the Council itself.

Since its proclamation as a city in 1979, the organisational structure and breadth of activities or functions undertaken by Bellville Council has shown a dramatic increase, which coincides with the increased residential and commercial development within the municipal area.

This organisational and functional growth is reflected in the personnel growth trends, (Bellville, D&W, 1991), where the total number of actual posts (salaried & wages) of 994 units in 1980, increased to 1408 units in the 1989/90 financial year, which reflects an increase of approximately 30%.

The City Council of Bellville provides the following emergency, essential and cultural services:

- fire brigade services;
- water reticulation;
- sewerage purification and reticulation;
- parks and recreational facilities;
- cleansing services;
- road maintenance;
- library services; and
- building control.

The provision and maintenance of these services is supported by the following staff functions:

- treasury services (income and expenditure);
- administration (property transactions, committee secretariat services etc.);
- personnel (selection, recruitment, maintenance etc.);
- mechanical workshop; and
- electrical workshop.

From 1980, Bellville Council underwent major changes in its organisational development as certain functions/services became more specialised or were established or absorbed from other institutions. This had a major impact on the organisation and the community, for example:

- the continued development of the personnel function since 1980, into a fully established Management Services Directorate for the provision of organisation and work study, training and development and data processing services;
- the establishment of a Town Planning function in 1983, to assist the Town Clerk in the administration of the Land-Use Planning Ordinance, No. 15 of 1985;
- the establishment of a Security Services Branch in 1983, for the protection of all council property against vandalism, theft and destruction.
- the establishment of a Valuations Branch in 1985, to administer the Valuations Ordinance, No. 26 of 1944;
- the establishment of a Civil Defence function in 1986, in terms of the provisions of the Civil Defence Act, No. 17 of 1977;
- the establishment of a Management Accounting Branch and an Internal Audit Branch in 1989 and 1988 respectively, in the Directorate : Financial Management; and
- the take-over of the electricity distribution function from Eskom in 1989.

In view of this growth it became necessary to streamline the functional structure and to redefine the decision-making hierarchy in order to provide all these services effectively and efficiently.

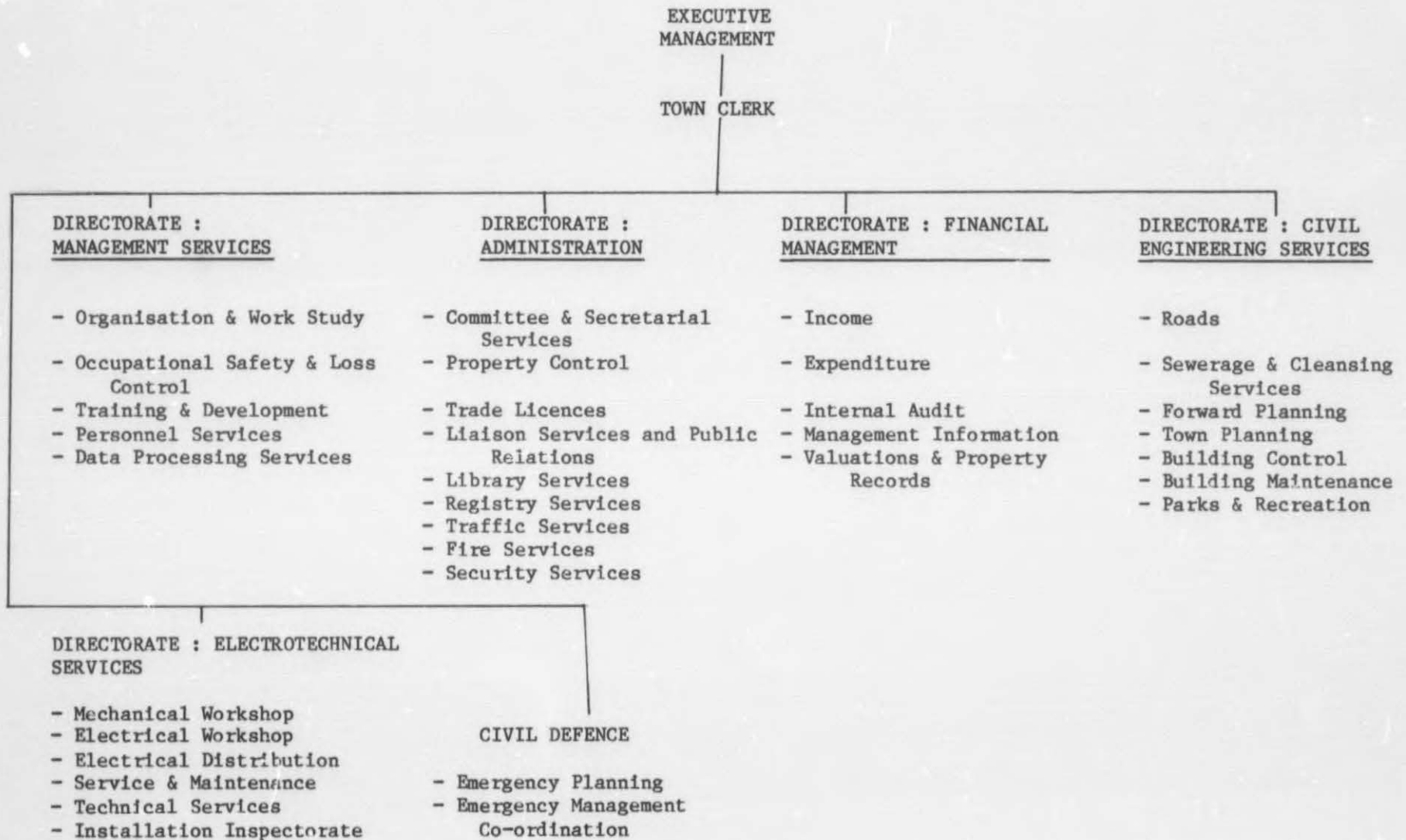
The approval of the Powers of Delegation by the Director of Local Government of the Cape Province in August 1984, firmly established the division and allocation of the powers, duties and activities of the Council and its Standing Committees on the proviso:

- that it is not a matter which only the Council can decide upon, as per legislation; or
- that it is not a matter which has been delegated to the Town Clerk.

The Organisational and Functional Structure of the City Council of Bellville is schematically presented in Figure 8 overleaf:

Figure 8

ORGANISATIONAL AND FUNCTIONAL STRUCTURE





In order to illustrate the impact of the decision-making process as well as the growth of the City Council of Bellville, the trends of two factors were selected from the resources profile since 1980, namely, its personnel trends and the actual operating and capital expenditure trends. These two trends are illustrated in Figure 9 and Figure 10 respectively.

Figure 9

PERSONNEL GROWTH TRENDS

YEAR 80	YEAR 81	YEAR 82/83	YEAR 83/84	YEAR 84/85	YEAR 85/86	YEAR 86/87	YEAR 87/88	YEAR 88/89	YEAR 89/90
994	1008	1023	1042	1110	1190	1165	1200	1224	1408

Figure 10

ACTUAL EXPENDITURE TRENDS

	YEAR 86/87	YEAR 87/88	YEAR 88/89*	YEAR 89/90	YEAR 90/91**
	R	R	R	R	R
Operating	43 035 143	45 560 230	74 014 568	126 422 930	143 462 070
Capital	6 747 932	10 218 048	13 388 339	17 567 290	22 308 720

\* Electrical Distribution takeover

\*\* Budget Figures

## 5. Future strategies

In order to facilitate effective decision-making in the City Council of Bellville, strategies were identified to anticipate the changes and trends in the macro-environment and possible future needs of the inhabitants of the community. A major advantage of this approach is to direct the organisation and its resources towards these strategies, so that decision-making would take place on a pro-active basis and not on a reactive basis.

To achieve the foregoing, the Council and all the members of the Executive Management in February 1989 formulated the following mission which would give direction towards the attainment of the ultimate purpose of the council, i.e. to improve the general welfare of the community:

"The mission of the Bellville City Council is to ensure through efficient management, the good quality of life of the community of Bellville, and to establish a pleasant environment, of which all can be proud, and to which all can gladly make a positive contribution".

To achieve this mission, the Council and Executive Management at the same forum held in February 1989, identified the following strategic objectives for the years 1990 and 1991:

- measurement of productivity;
- pro-active approach to constitutional changes;
- marketing of Bellville and its services;
- utilising the potential within Bellville;
- privatisation;
- improvement of horizontal and vertical communication within the organisation; and
- to provide aid to the surrounding local authorities.

The attainment of these objectives is regularly monitored as action plans with due dates and allocated responsibilities have been formulated, which were subsequently approved by the Council.

It will appear that further development possibilities within the Bellville municipal area is now limited. The concept of regional local bodies appears to be the only alternative in respect of further development, either towards the north or south, so as to accommodate the smaller local authorities within its administration who have no or very limited resources.

## 6. Summary and conclusion

Analysis of the strategic planning documents reveals a thrust towards the upgrading of existing services and an attempt to attract further investment through marketing campaigns, rather than looking for further development opportunities.

However, in view of the increased demography trends, prevailing weak economic climate, continuous political changes and increasing demands from growing under-privileged communities, it will appear that large, established local authorities like Bellville City Council will have to assist the Central Government in its campaign to nullify this bleak scenario. This will place increased demands on the abilities and effectiveness of the decision-makers and the total decision-making process within the City Council of Bellville.



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## CHAPTER 9

### ANALYSIS AND CONCLUSIONS OF RESEARCH FINDINGS OF SELECTED DECISION CASES AGAINST THE NORMATIVE MODEL

#### 1. Introduction

To determine whether traditional decision-making in local authorities is feasible or not, four decision case studies were selected for analysis. Three of the four case studies, were regarded as being controversial and received full coverage in the media. Certain interest groups in the community were at the time opposed to the decisions taken on the basis that the interests and general welfare of the community were not being adequately catered for.

The four cases were selected for analysis on the following basis. Firstly, the decisions were well documented in the council records which facilitated research. Secondly, all three participatory groups, namely the community, the elected representatives and the officials were granted an opportunity to express their views based on their own values and norms, which was also recorded fully and replied to. In other words, the conflicting views of all the participatory groups could be evaluated. Finally, the actual success of the decision could be easily determined as the results of the actual outcome could be assessed through the scrutiny of supporting documentation.

To achieve this objective, the four selected case studies will be analysed and evaluated against the normative criteria in order to determine the quality of the decision-making. The quality is based on the success Bellville City Council has attained in achieving its mission or selected determined objectives, as well as the consequences thereof in respect of the impact on the community which it serves.

The four cases will be analysed in accordance with the three identified normative criteria:

- legitimacy;
- effectiveness and efficiency; and
- sufficient information

The analysis and conclusions drawn are based extensively on the inputs received from the interviews held with the key officials who participated in these decision-making cases.

A summarised analysis of the criteria applied in each of the cases as well as the extent to which they were applied, will be schematically presented in a schedule at the end of this Chapter.

## 2. Selected case studies

### 2.1 Case 1 : Application for a residential permit

#### 2.1.1 Background

On 1990-12-11 the Director : Administration reported to Council (Folio 3561) that the then Department of Local Government, Housing and Works had received an application from a certain Mr Barker, a Coloured person, for a permit in terms of section 20 of the Group Areas Act, No. 36 of 1966 to purchase and inhabit a property situated at No. 10, 3rd Avenue, Boston, Bellville.

The Council resolved that the Department of Local Government, Housing and Works be advised that it could not see its way clear to recommend the approval of the application.

According to the report submitted by the Director of Administration to the Council on 1990-12-11 (Folio 3561), the council's motivation for the decision was based on two factors:

- the Council had previously decided not to approve applications of this nature until the Group Areas Act, 1966 had been repealed; and
- the Council had to be consistent in its actions in this regard, as it had previously not approved similar applications.



According to the Director : Administration (Interview, May, 1991) it would also appear that the relevant Ward Councillor acted as a delegate, ('refer to Chapter 6, supra;) as he reflected the wishes of the people he is representing, i.e. that the application be not approved.

Interviews with the relevant officials indicated, that the officials supported the approval of this application on the basis of the definite changes which were taking place in the political dimension within the macro external environment and that it was contradictory to the prevailing national policy.

Mr Barker appealed against the decision to the Ministerial Representative who rejected the appeal. The appeal was subsequently upheld on the intervention of the Minister for Welfare, Housing and Works : House of Assembly.

The Director : Administration stated (Interview, May, 1991) that there were sections of the White community who supported the decision, and certain sections who rejected the decision. The Council received two letters from Messrs J Raubenheimer (27 December 1990) and J K Hansen (27 December 1990) opposing the decision. The Council received unfavourable criticism in the press (Die Burger : 22 December, 1990) as a result of this decision in its failure to adapt to the changing political climate.

#### 2.1.2 Decision in context

Government constitutional changes to accommodate all groups as well as negotiations between the central government and all other political parties, interest groups and stakeholders towards a peaceful 'New South Africa' were in full progress at the time the decision was taken.

This culminated in the repealing of all racial legislation over a period of time, with the Group Areas Act, 1966 being the last Act to be repealed after the Barker case, by the Abolition of Racially Based Land Measures Act, 108 of 1991, as published in the Government Gazette No. 13341, dated 28 June 1991.

In view of the foregoing, the Council did not have to contend with any economic or legislative constraints and only had to exercise its discretionary power. The wishes and desires of the members within the community had to be taken into account, however, bearing in mind that the Council ostensibly is supposed to represent the interests of all persons within the community, White or Coloured, despite the fact that there is no officially elected councillor or representative representing the Coloured community. The only constraint which the Council had to contend with was the wishes of the ratepayers of that particular ward.

### 2.1.3 Normative evaluation

The normative evaluation is based on the analysis of the three identified normative criteria, namely legitimacy, effectiveness and efficiency and sufficient information.

#### 2.1.3.1 Legitimacy criterion

The legitimacy criterion will be evaluated according to three factors, namely principles of democracy, acceptance within the community and acceptance within the organisation.

##### 2.1.3.1.1 Principles of Democracy

The nature of this case study warrants a discussion on the democratic principles which were previously discussed in Chapter 7, as submitted by Kernaey (1971 : 76). The principle of popular sovereignty requires, that the ultimate power to make political decisions must be vested in all the people rather than in part of them or one of them. No ratepayer resident in Proteaville is registered on the Municipal voters roll and is thereby disqualified from voting and having a representative on the full Council. In view of this state of affairs, no resident in Proteaville can participate directly in the decision-making process. It may be safely assumed that Mr Barker's interests were not being fully represented. This is however beyond the power of the Council.

The second principle of democratic government, is political equality, which requires that each adult citizen must have the same opportunity as every other adult citizen to participate in the decision-making process. The same reason for non-compliance as submitted above is applicable, although it is beyond the scope of the relevant Council.

The principle of popular consultation involves two requirements. Firstly, there must be some kind of institutional machinery through which public officials learn what public policies the people wish to be adopted and enforced. This requirement is not satisfied at local government level in view of the Management Committee system, as their civic requests and demands are still subject to the approval of the relevant local authority, on which no representative of that particular population group, Asian or Coloured, serves. Presently in Bellville City Council members of the Proteaville Management Committee are present at full Council meetings but do not have any voting powers. The second requirement regarding implementation is complied with as officials are bound by their Code of Conduct to implement all policies, whether they approve of it or not.

Wiechers (1984 : 36) is of the opinion that the rules of natural justice are applicable where a discretion has to be exercised which affects the rights of a subordinate. Cockram (1976 : 48) submits the following as embracing the audi alteram partem principle which falls within the scope of the rules of natural justice:

- the affected person must be informed (Klappenberg v Minister of Justice, 1964(1) SA 813);
- the affected person must be given adequate opportunity to answer the case (Deputy Minister of Agriculture and Another v Heatherdale Forms (Pty) Ltd, 1970 (4) SA 184(T);
- the affected person should be informed of the evidence on which decision is based (Ball v Van Rensburg No. 1971(3) SA 693(C)).



Mr Barker was informed of the procedure and his written application was submitted to the Council for consideration. However, the third principle was not complied with, as no evidence or reasons were submitted to Mr Barker on which the decision was based, except according to the undated press release issued by His Worship the Mayor, Councillor D W J Van Schoor (15/2/2/16), that the Council did not wish to pre-empt the central government's decision regarding the Group Areas Act, 1966.

According to Wiechers (1984 : 38) every public body should be free from subjectivity. This includes Bellville City Council. It will appear from the official minutes that there existed a certain degree of bias, as the Council did not wish to exercise its discretion, despite the changes which were occurring in the legislation.

#### 2.1.3.1.2 Acceptance within the community

The Deputy Director : Administration stated in an interview (July, 1990) that the Council had received a mixed response from the members of the community, supporting and opposing the decision. Refer to section 2.1.1 above.

#### 2.1.3.1.3 Acceptance within the organisation

The Deputy Director : Administration pointed out in an interview (July, 1990) that the officials within the organisation did not support the Council's decision on two grounds. Firstly, it was contrary to the new national policy on racial legislation as all racial legislation was being repealed. The Group Areas Act, 1966 was subsequently repealed by the Abolition of Racially Based Land Measures Act, 1991 after the decision was taken. Secondly, the Council did not exercise its discretion regarding the rights of a subordinate by failing to apply the rules of natural justice. Refer to section 2.1.3.1.1 above.

#### 2.1.3.2 Effectiveness and efficiency criteria

The effectiveness and efficiency criteria will be evaluated according to three factors, namely achievement of objective, accrual of financial and other benefits and cost justification.

#### 2.1.3.2.1 Achievement of objective

The Council failed to identify and place itself in a pro-active position regarding the changes within the political environment, despite the State President's announcement in his opening speech in Parliament on 2 February 1990, confirming these political changes. Furthermore, the decision did not achieve its objective, namely, to delay the exercise of its discretion in this case as well as future cases. The decision was reversed on appeal to a higher authority, namely the Minister for Welfare, Housing and Works.

#### 2.1.3.2.2 Accrual of financial and other benefits

No benefits accrued to the Council except detrimental publicity which was harmful to its image as a progressive and modern city. The decision could have had a further detrimental effect from a financial point of view, as it could have negatively influenced potential investors from investing in the municipal area and thus hamper its economic growth, as presently experienced in the wider international environment.

#### 2.1.3.2.3 Cost justification

Cost justification is not a factor and was not taken into account during the decision-making process.

#### 2.1.3.3 Sufficient information criterion

The Council had in 1990 during its strategic planning process, recognised the changes in the political environment and attempted to define the effect and influence the changes would have on the community and on the local authority itself. In order to prepare pro-actively for these changes, one of the strategic objectives formulated by the Council (1990 : 3) was ".... to adopt a pro-active approach to constitutional changes". This was to be achieved through the performance of the following activities:

- that the Mayor arrange periodic discussions with the Administrator so as to ascertain if any proposed constitutional/legislative changes could have a direct influence on the municipal area of Bellville;
- that the Councillors inform all the Ratepayer Associations of any possible constitutional changes; and
- that the Mayor, Deputy Mayor and Town Clerk hold periodic discussions with members of the Proteaville Management Committee and Resident Associations, regarding any possible constitutional changes.

Despite all the relevant information relating to the applicant, and subjoined comments of the officials and the findings of its own analysis of the political environment, the Council still decided not to exercise its discretion and approve the application.

#### 2.1.4 General evaluation

The Council failed to react pro-actively to the changing political dimension in the environment and also did not anticipate the consequences and reaction that it would generate. The decision may be classified as a non-routine decision, with the Council relying on the precedent used in previous similar cases. The Council therefore failed to apply its mind and use its discretionary power.

Furthermore, when referring to the accepted definition of democracy as submitted by Ranney (1983 : 76), certain essential requirements were not complied with in terms of his theoretical model. In addition there was non-compliance of all the rules of natural justice.



## 2.2 Case 2 : Sale of municipal erven to Dutch Reformed Church

### 2.2.1 Background

The Director : Administration reported to the Committee for Works and Planning of the Council (Folio. 3578) during 1990, that erf 16671, Extension 42 was sold by the Council during 1983 to the Dutch Reformed Church at La Rochelle for R6 680,00.

The Director : Administration further reported that this particular erf was an endowment erf intended to be utilised for community purposes only. The Director of Local Government of the Cape Provincial Administration agreed to the alienation of erf 16671 to the Church, provided that it was utilised for church purposes which would serve the interests of the community. The sales agreement included a reversionary clause in favour of the Council. The inclusion of a reversionary clause in a property sales agreement is standard practice as it provides the Council with a safeguard in instances where property sold is not utilised for the purposes envisaged, or where the buyer intends to dispose of the property. The Council has a legal right to regain legal ownership of the property in question.

The Church was precluded from building on this particular erf 16671 because of the dampness of the site and requested that the Council either purchase the erf or exchange it for another erf.

The Council in September 1984, agreed to the exchange of the erf no. 16671 for another endowment erf no. 15816, as well as the sale of an adjoining erf no. 15805 to the Church by the Council. However, since 1988 the Church had been requesting the Council for permission to sell these two same erven nos. 15816 and 15805 to enable it to utilise the proceeds to promote the interests of the Church.

Arising from the foregoing, two issues materialised which required a decision. Firstly, that the Council compensate the Church in an amount of R7 000,00 for the loss incurred due to the development already undertaken on the first erf no. 16671 prior to the

realisation that the erf could not be further developed. Secondly, that the Church be allowed to sell the exchanged erven nos. 15816 and 15805 and use the proceeds to purchase another erf, and that all profits realised after the purchase of the erf be repaid to the Council.

The Council agreed to the foregoing and further resolved that representations be made to the Administrator, requesting a waiver on the restrictions placed on the exchanged erven, namely that the reversionary clause not be enforced.

#### 2.2.2 Decision in context

In view of the prevailing national political and cultural climate, where the emphasis is on negotiation and accommodation of all interest groups and bodies, it will appear that the Council wished to contribute towards this process and be seen as being sensitive to the values, needs and norms of all cultural and religious groups within the community. In view of this scenario the Church was able to convince the Council to consider and decide on the two issues explained in section 2.2.1 above. This conclusion is drawn from the interview held with the Director : Administration (May, 1991).

The Council was of the opinion that it was morally obliged to compensate the Church for its loss despite the inclusion of the 'Voetstoets' clause, whereby the Church undertook to purchase the property despite the possibility of a risk arising that the property could not be developed and that it would have no subsequent recourse to the Council.

The officials held the view that the transaction was contrary to the spirit of the agreement concerning community land as the erven nos. 15816 and 15805 were endowment erven, to be utilised by the community for community purposes and not be sold to realise profits for further acquisition of fixed properties.

The Church did not use the erven for church purposes but intended to make a profit so as to purchase another property, which contradicts the basic intention of the Administrator's policy.

The Council was constrained by the intention of the legislation and policy conditions regarding the initial transaction with the Church. According to the Director : Administration, (Interview, May, 1991) the fact that the Council decided to apply for a waiver on behalf of the Church was not consistent with its action as regards previous cases, for example, a similar request received from the Athlone School for the Blind which is also a benevolent association, was refused.

### 2.2.3 Normative evaluation

The normative evaluation is based on the analysis of the three identified normative criteria, namely legitimacy, effectiveness and efficiency and sufficient information.

#### 2.2.3.1 Legitimacy criterion

The legitimacy criterion will be evaluated according to three factors, namely principles of democracy, acceptance within the organisation and acceptance within the community.

##### 2.2.3.1.1 Principles of democracy

The principles of democracy have been complied with regarding the Church in question. This analysis is based on the fact that a forum was made available to the Church to express and motivate its request, which was subjoined in the report submitted by the Director : Administration to the Committee for Works and Planning of the Council (Folio 3578). This request was subsequently agreed to by this Standing Committee, although contrary to the spirit of the Administrator's policy on endowment land.

The principles of democracy only partly applied as the whole community was not granted a forum to voice its opinion concerning its potential loss of endowment land.



#### 2.2.3.1.2 Acceptance within the community

The decision, although advantageous to the members of the Dutch Reformed Church, places the rest of the community at a disadvantage as the endowment erven were earmarked for community purposes and would be lost to the whole community through its sale on the open market. As the sale of endowment erven was never intended there is no express policy directing the Council to advertise its intention to inform the rest of the community and call for possible objections.

#### 2.2.3.1.3 Acceptance within the organisation

In view of the foregoing, the Director : Administration has indicated (May, 1991) that they intend resubmitting the matter to the Council for re-consideration. The subsequent action of ~~the~~ officials is an indication of the decision not being accepted within the organisation.

#### 2.2.3.2 Effectiveness and efficiency criteria

The effectiveness and efficiency criteria will be evaluated according to three factors, namely achievement of objective, accrual of financial and other benefits and cost justification.

##### 2.2.3.2.1 Achievement of objective

The ultimate objective of any local authority is to improve the general welfare of the community. This objective was not achieved as the community at large was made poorer through the loss of an erf specifically earmarked for community purposes.

##### 2.2.3.2.2 Accrual of financial and other benefits

No financial benefits accrued to the Council as the purchase of another property from the profits of the sale of the erven in question, plus the subtraction of an amount of R7 000,00 for the

loss incurred by the Church would leave a minimal portion to be paid over to the Council. Furthermore, because of the 'Voetstoots' clause the Council is not liable for this amount of R7 000,00. The full return on the total market value of the properties in question would not accrue to the Council and indirectly to the community.

A benefit which did accrue to the Council was that the Council was perceived as being sensitive to the needs of some groups within the community.

#### 2.2.3.2.3 Cost justification

The decision was definitely not justified in terms of costs. The Council incurred a loss, as there was no obligation to compensate the Church for an amount of R7 000,00 as the transaction was subject to 'Voetstoots', which implies that the Church had to bear the risk of any subsequent defects regarding the property.

#### 2.2.3.3 Sufficient information criterion

All the background information as well as the policy and legislative constraints regarding the matter was submitted to the Council for consideration prior to the making of the decision. The Council ignored the spirit and intention of the policy regarding endowment erven and further resolved that representations be made to the Administrator requesting a waiver on the restrictions placed on the exchanged erven.

#### 2.2.4 General evaluation

The decision taken satisfied the needs and desires of the particular religious group although it did not accrue any further benefits to the community of Bellville as a whole. The property was earmarked as community land for community purposes, not to be utilised for the gaining of additional profits or gains for the benefit of a select group. Furthermore, there was no obligation on the Council to compensate the Church for an amount of R7 000,00 as the transaction was subject to a 'Voetstoots' clause.

## 2.3 Case 3 : Take-over of electrical reticulation system

### 2.3.1 Background

The Town Clerk on 29 March 1988, advised the Council that Consulting Engineers were appointed in 1981 to investigate the feasibility of taking over the electricity distribution and reticulation system from Eskom. Goodwood, Parow, Durbanville, Kraaifontein and Kuils River Municipalities, and later the former Cape Divisional Council, decided to join Bellville in this venture.

As the total area would be served by two points of supply, this meant that the municipalities would not only have to take over the reticulation systems but the distribution systems as well. The Consulting Engineers proposed that the take-over be a joint venture by means of a company or consortium. The Town Clerk on 29 March 1988, further reported to the Council (Folio 3079) that certain local authorities were unhappy with the actual authority and power being vested in Bellville City Council. The practical implications regarding the location of the electrical depot within the Bellville municipal area was also questioned.

The Town Clerk pointed out (Interview, May, 1991) that subsequent negotiations between Bellville City Council and Eskom revealed that each municipal area could be serviced by a separate point of supply, which meant that the reticulation system could be taken over from Eskom by each of the separate local authorities and therefore the need for a consortium for the distribution of electricity fell away.

The Town Clerk in the same report (Folio 3079) proposed a new arrangement with Eskom, whereby each municipality would administer its own electricity reticulation system within its area and that each municipality would purchase its own power supply in bulk from Eskom.

Further analysis of the Town Clerk's report dated 28 March 1988 to the Council, revealed that the value of the assets as at 31 December 1986 to be taken over by Bellville City Council from Eskom, was calculated at R8 713 905. The value of assets constructed from 1 January 1987 to date of take-over had been estimated at R12 742 425. The Council accordingly undertook to accept responsibility for all outstanding balances on loans incurred by Eskom.



The Council on 1988-03-29 (Folio 3079) considered the foregoing Town Clerk's report and resolved as follows:

- that the electricity reticulation system within the municipal boundaries of Bellville be taken over from Eskom and that Eskom provide the applicable interest rates on all outstanding loans;
- that the take-over be implemented between 1 January 1989 and 30 June 1989;
- that the post of Director : Electrotechnical Services be filled and that provision be made on the Operating Budget for the appointment of additional personnel when required.

#### 2.3.2 Decision in context

In terms of the Electricity Act, 41 of 1987, a local authority need not apply for a licence to distribute electricity within its municipal area. As the area in question had been previously allocated to Eskom to distribute this electricity, the Council's proposed intention to take over this function had to be advertised for comment. Application also had to be made to the Electricity Control Board to alleviate Eskom of its responsibility.

In view of the foregoing, the Bellville Federation of Ratepayer Associations took the opportunity to record its objection against the proposed take-over. These objections were motivated in a letter dated 27 February 1985 (17/2/81) addressed to the Mayor, a copy of which was forwarded to the Administrator. The Bellville Federation of Ratepayer Associations is a public body comprising the various office bearers of the various ratepayer associations of each ward within the Bellville municipal area. According to the Town Clerk (May, 1991) the objection was structured on three arguments.

Firstly, the Federation was opposed to the possible use of the income generated from the electricity distribution for purposes other than for the provision and maintenance of electricity. In other words, the Federation was opposed to the possibility of cross-subsidisation.

Secondly, the Federation was of the opinion that the establishment of a technical and administrative infrastructure to provide and maintain these services would be an overwhelming drain on the resources of the local authority, which would not be adequately absorbed by the income generated. Paarl Municipality was quoted as an example, of a local authority which had incurred losses as a result of the electricity take-over. It was also indicated that Eskom was making a loss but it could not be substantiated.

Thirdly, the Federation alleged that the primary motivation for the take-over was to promote the individual interests of the officials and not the general welfare of the community. This argument was based on the provisions of the Remuneration of Town Clerks Act, 115 of 1984, which provides for the grading of a local authority on a thirteen factor formula. Based on this grading, the Town Clerk's remuneration is fixed as well as the remuneration structure for all the employees within the organisation. In an article published in *Die Burger* on 5 December 1985, the Town Clerk expressed the view that the officials would receive no financial benefit from the electricity take-over due to the application of the formula in the grading system. The Town Clerk further reiterated in the same article, that should the remuneration structure be influenced by the take-over, the actual financial benefit would be minimal.

The approach adopted by Bellville City Council, to absorb an additional function in order to provide an additional service, was contrary to the stated objectives of privatisation, as contained in the published White Paper on Privatisation and Deregulation in the Republic of South Africa (1987 : 8).

The action of the local authorities in question confirmed the view expressed by writers such as Van Straaten (1989 : 8) and Van Wyk (1987 : 28), who maintain that the uninterrupted provision of essential services like electricity must be guaranteed and therefore cannot be transferred to the private sector. The latter writer stated that the private sector was only interested in profit, leaving local authorities to finance services which were running at a loss.



Evans (1988 : 14) stated that there appeared to be a fear of privatisation upsetting the grading of a local authority and therefore the salary of the Chief Executive and Administrative Officer of that Local Authority. The actions of the local authorities in this regard would facilitate a higher grading, which in turn would enhance the status and financial remuneration of the Town Clerk.

To achieve framework autonomy which is the objective of most local authorities, it is important that they regulate and administer all the services required by the inhabitants within their municipal area. Furthermore, the local authority will not only strive for constitutional autonomy but also decision-making autonomy, as well as the removal of any other constraints to achieve this objective.

Framework autonomy is the process of delegating full powers and authority to an organisation from a higher authority, to which it is subordinate so that it may administer its resources without restriction in a manner that it deems to be effective and efficient, within prescribed guidelines, so that it may achieve its stated mission.

As mentioned previously, the action was contradictory to the objectives of the privatisation policy formulated by Central Government. The other constraint was the objections listed by the Bellville Federation of Ratepayers, which has been discussed in detail above.

In terms of section 174 of the Promotion of Local Government Affairs Act, No. 91 of 1983, electricity is one of the services listed which should be provided and maintained by a local authority. In terms of this statutory provision there is no legislative constraint preventing Bellville City Council from providing this service.

According to the business analysis undertaken for the Directorate : Electrotechnical Services (Bellville, 1989 : 17) the effect of the decision caused the personnel complement to increase by approximately 11 posts for both the Financial Management Directorate and the Electrotechnical Services Directorate, within the first six months after implementation. The capital investment incurred to provide this



service amounted to R820 000, which was provided for on the Capital Budget for the 1988/89 financial year. An amount of only R24 000 was provided for on the operating expenditure budget for the same period. According to the above Business Analysis document (Bellville, 1989 : 18), the actual operating and capital expenditure took place in the last six months of the financial year as the date of implementation was fixed for 1 January 1989.

### 2.3.3 Normative evaluation

The normative evaluation is based on the analysis of the three identified normative criteria, namely legitimacy, effectiveness and efficiency and sufficient information.

#### 2.3.3.1 Legitimacy criterion

The legitimacy criterion will be evaluated according to three factors, namely principles of democracy, acceptance within the community and acceptance within the organisation.

##### 2.3.3.1.1 Principles of democracy

As indicated earlier, the democratic principles referred to will be based on Ranney's (1983 : 76) working definition modified to suit the South African constitutional context.

The Bellville Federation of Ratepayer Associations in the above letter, dated 27 February 1985, also expressed the view that the Council was proceeding to decide on a matter which directly affected the community without proper consultation. The members of the community of Bellville did eventually have an opportunity to submit their comments regarding the electricity take-over, as the council's proposed intention was advertised and published in *Die Burger* and *The Argus*, on 25 March 1988. In this manner the Bellville Federation of Ratepayer Associations was able to participate in the deliberation process leading up to the decision. The principles of democracy were thus complied with regarding the principle of consultation.

#### 2.3.3.1.2 Acceptance within the community

The decision was not accepted within the community and was aggressively opposed by the Bellville Federation of Ratepayer Associations on three principles, which have been fully explained above.

#### 2.3.3.1.3 Acceptance within the organisation

The Town Clerk (May, 1991) indicated in an interview, that the officials of Bellville City Council had no representation in the provision and maintenance of the electricity distribution within its municipal area. Eskom officials could decide on the manner and method of providing electricity to new areas of development within the municipal area, without having to include the positive or negative comments from Bellville City Council. This situation was found to be unsatisfactory.

Furthermore, the decision was readily accepted by the officials within the organisation despite the additional workload and responsibilities which would accrue. This acceptance was motivated by two factors:

- acquisition of an additional source of revenue which would alleviate the burden on the ratepayers of Bellville;
- acquiring autonomy in respect of all essential services administered in the municipal area of Bellville;

#### 2.3.3.2 Effectiveness and efficiency criteria

The effectiveness and efficiency criteria will be evaluated according to three factors, namely achievement of objective, accrual of financial and other benefits and cost justification.

#### 2.3.3.2.1 Achievement of objective

The two motivating factors mentioned in 2.3.3.1.3 for the electricity take-over also serve as the primary objectives for the decision. In retrospect, both objectives have been achieved.

The first objective has been achieved as the Council has been able to place in the Capital Reserve Fund (Electricity Services) for the 1990/91 financial year, an amount of approximately R3 million surplus in respect of revenue accrued for the provision of services. The City Council of Bellville in 1989 was upgraded from a Grade 10 local authority to a Grade 11 local authority in terms of the Remuneration of the Town Clerks Act, 1988. The take-over of the electricity distribution function did influence the grading on two factors, namely the number of electricity meters and income.

The second objective has also been achieved as the Director : Electrotechnical Services is able through the delegated powers vested in him by Council, to decide on the planning, development, placement and maintenance of the electricity reticulation system within the municipal area of Bellville. The decision-making regarding the administration of the above may be regarded as autonomous.

The question now asked is whether the ultimate objective has been achieved, that is, the improvement of the general welfare of the community. It will appear from the foregoing that the answer is affirmative.

#### 2.3.3.2.2 Accrual of financial and other benefits

The primary motivation for the take-over was economic considerations. This was subsequently justified, as the Town Clerk stated further in the same interview (May, 1991), that in the 1990/91 financial year an amount of approximately R3 million in income had accrued to the Council for the provision of electricity services, since the service had been taken over by Bellville City Council.



As identifying an additional source of revenue this action could be deemed to be successful. The ultimate test of success would be to determine whether the service rendered has been an improvement on the service previously rendered by Eskom.

#### 2.3.3.2.3 Cost justification

Bellville City Council at the time of the take-over did not have a fully implemented and accurate costing system, which complicated the assessment of whether certain activities which were performed within the electricity reticulation and maintenance function, were justified from a cost point of view. At the time of implementation, an infra-structure had to be developed, first in order to perform these activities which inflated the actual costs, which in turn complicated efficiency measurement. Although an overall surplus has been achieved for the 1990/91 financial year, the actual efficiency of the activities performed can not be fully assessed. A full costing system is presently being developed and implemented for this purpose.

#### 2.3.3.3 Sufficient information criterion

The Council had prior to the taking of the decision, been fully informed by both the officials and the Ratepayer Federation, of the implications of the proposed take-over.

Although Eskom did assist with the arrangements regarding the implementation, no management information was transferred regarding the implications of the actual operating expenditure trends of the service to be provided. Examination of the archive research has revealed that Eskom did provide statistical information regarding the number of consumers, bad debts outstanding and personnel implications.

#### 2.3.4 General evaluation

In retrospect, it will appear from the above analysis that the decision to take over the electricity distribution function from Eskom was a good decision in view of the financial and other benefits which have accrued to the Council. The accrual of these benefits negate some of the concerns expressed by the Bellville Federation of Ratepayer Associations.

#### 2.4 Case 4 : Investment of R15 million

##### 2.4.1 Background

In a letter to the Auditor-General (Bellville, 1989 : 1) the Director : Financial Management advised that the Council in 1986 agreed to borrow money for capital expenditure over a period of 2 years, and also to take advantage of the current low interest rates. As not all the money could be spent at once, a portion not immediately required, was invested immediately, so as to yield the highest possible return.

An amount of R15 million was invested with a Bank, which in turn re-invested the money with an Insurance Company. The investment with an Insurance Company was regarded as illegal as it was not in accordance with the provisions of the Cape Municipal Ordinance, No. 20 of 1974.

##### 2.4.2 Decision in context

It is important to note that at the time the decision was made by the Bellville City Council, public bodies such as central government departments as well as a large local authority, had been accused of maladministration and corruption as well as unethical conduct. This had caused the State President to announce in his opening speech in Parliament, on 2 February 1990 that he had appointed a Commission of Inquiry into certain alleged murders under the leadership of Mr Justice LTC Harms. In March 1990, the Management Committee of the Johannesburg City Council requested the Administrator of the Transvaal Provincial

Administration, to appoint a Commission of Inquiry to investigate and report on irregularities in the Security Department of Johannesburg City Council. Against this scenario the activities of Bellville City Council were being scrutinized.

The Director : Financial Management indicated in an interview (May, 1991), that a letter to the press by a concerned ratepayer, Mr E Schwella (11 October 1988), alleging that the Council and certain officials had a personal vested interest in the target investment, being the Insurance Company. The matter was then given attention by the Bellville Federation of Ratepayer Associations in a letter dated 14 November 1988, addressed to the Mayor of Bellville City Council.

The allegations made had proved to be correct as a city councillor did have a vested personal interest in the target investment and received personal financial gain. He did not declare this vested interest with the Council and subsequently received a financial reward. According to the press report which was published in Die Burger on Friday, 14 December 1990, the particular councillor was subsequently found guilty of negligence for failing to declare his personal financial gain, but not guilty of corruption by the Magistrate's Court and fined R100,00.

In the same interview (May, 1991) the Director : Financial Management indicated that the only consideration was to obtain moneys for capital expenditure and to invest the remaining portion not immediately taken up, to the best advantage of the Council. The Council borrowed the capital at 14% and invested the money at 17%. The Consolidated Capital Development and Loans Fund interest rate at that time was only 16%. In view of the foregoing, the investment made by the Council generated a greater financial return than it would have if it had invested the money elsewhere.

The Auditor-General in November 1988, queried this investment on two grounds:

- investment in an Insurance Company; and
- loss of interest on investments.



The Director : Financial Management was able to show in a letter dated 3 February 1989, addressed to the Auditor-General (6/16/1/1 X 6/11/2), that the investment was made directly with the Bank and that the Council was unaware of the subsequent re-investment with an Insurance Company. Section 2(1)(a) of Local Authorities (Investment of Funds), Ordinance No. 23 of 1935 specifically permitted the Council to invest with that particular Bank in question.

The Director : Financial Management was also able to explain in the same letter, that there exists no opportunity in the financial market where one can borrow money at a cheaper rate than one can invest at. In this regard, there was a loss of interest only until the internal advances for capital expenditure were made. At the moment of taking up an internal advance the interest rate earned would be exactly equal to the interest rate paid.

According to the Director : Financial Management (May, 1991) these explanations submitted by his office were accepted by the Auditor-General.

#### 2.4.3 Normative evaluation

The normative evaluation is based on the analysis of the three identified normative criteria, namely legitimacy, effectiveness and efficiency and sufficient information.

##### 2.4.3.1 Legitimacy criterion

The legitimacy criterion will be evaluated according to three factors, namely principles of democracy, acceptance within the community and acceptance within the organisation.

##### 2.4.3.1.1 Principles of democracy

In this particular case the principles of democracy as applied for this discussion, that is, providing the general community with an opportunity to participate in the decision-making process was not complied with. (Refer to explanation in section 2.1.3.1.1).

The reason for this non-compliance is that the Council was not obliged to advertise its intention to raise capital funds for the purchase of capital assets as well as its intention to invest the surplus funds not taken up. The Council had the necessary vested delegated powers to carry out the foregoing.

#### 2.4.3.1.2 Acceptance within the community

The involvement of the community was not due to the Council's initiative but due to information which was "leaked" through sources not directly linked to the City Council of Bellville.

The decision was not accepted within the community if the reaction of certain individuals to the decision could be considered as being representative of the whole community. This negative reaction to the investments was found to be justified as a certain Council representative had received personal financial gain from this investment.

#### 2.4.3.1.3 Acceptance within the organisation

The decision regarding the investment was made in order to gain the best advantage to the Council in view of the current prevailing interest rates. This decision was based on the recommendation submitted by the Director : Financial Management that the remaining capital not utilised for capital expenditure be invested with a particular Bank to obtain maximum return on investment. The officials were unaware that the capital would be re-invested with an Insurance Company, which was contrary to the provisions of the Municipal Ordinance, 1974. Scrutiny of the documentary evidence reveals that the officials had directly invested with a Bank, which was in compliance with the provisions of the Local Authorities (Investment of Funds) Ordinance, 1935. Both the officials and the councillors supported this investment on the grounds that it was in the best interests of the Council.

#### 2.4.3.2 Effectiveness and efficiency criteria

The effectiveness and efficiency criteria will be evaluated according to three factors, namely achievement of objective, accrual of financial and other benefits and cost justification.

##### 2.4.3.2.1 Achievement of objective

The Council succeeded in the achievement of its objective by maximising its resources through attempting to obtain a maximum return on its investment. In achieving this objective it ensured that definite financial benefits would accrue to the Council and indirectly to the community. The Auditor-General did question the possible loss of interest which was subsequently explained in writing to his satisfaction.

##### 2.4.3.2.2 Accrual of financial and other benefits

No other benefits accrued to the Council. In contrast, the Council received negative publicity which was detrimental to the image of the Council. The role played by a particular Councillor in the re-investment of the capital, undermined the credibility and ethical conduct of the administration of the City Council of Bellville, especially against the scenario sketched in section 2.4.2.

##### 2.4.3.2.3 Cost justification

The cost justification factor was not considered as the Council merely had to consider the best alternative regarding the receiving of a greater return on its investment. The cost justification factor is therefore not applicable in the analysis.



#### 2.4.3.3 Sufficient information criterion

Close examination of all the correspondence and documentation relating to this matter revealed that the officials had understood and followed the correct procedure relating to the investment in terms of the provisions of the Municipal Ordinance, 1974 and the Local Authorities (Investment of Funds) Ordinance, 1935.

Furthermore, the officials had also examined the financial capital market so as to determine the best return for its investment. The procedural implications as well as all the alternative investment opportunities were conveyed to the Council when the decision was made. In view of the foregoing, it will appear that the information criteria was fully complied with during the decision-making process.

#### 2.4.4 General evaluation

The findings of the analysis reveal that all the applicable criteria were complied with. The exception being the acceptance within the community factor which is included in the legitimacy criterion. This factor need not have been taken into account as the Council had full delegated power to take the decision without recourse to the procedure of having to advertise its intention.

The objection by some members of the community was justified as the Court determined that there was negligence, but no corruption.

A routine decision taken by Council in compliance with set procedure, caused unforeseen consequences and negative publicity. The role played by the members within the community cannot be undermined as they each have a civic duty to perform to ensure that there is clean and open public administration, which facilitates effective decision-making.

### 3. Analysis of application of normative criteria

A summarised analysis of the application of the normative criteria as well as the extent of their application, is schematically presented hereunder in Figure 11.

Figure 11

ANALYSIS OF APPLICATION OF NORMATIVE CRITERIA

SELECTED CASES	NORMATIVE DECISION-MAKING CRITERIA						
	LEGITIMACY			EFFECTIVENESS & EFFICIENCY			SUFFICIENT INFORMATION
	Principles of democracy	Acceptance within community (intermediate)	Acceptance within organisation (micro)	Achievement of Objective	Financial and other benefits accrued	Cost Justification	
CASE NUMBER 1	O	◐	O	O	O	NA	◐
CASE NUMBER 2	◐	◐	O	O	O	O	●
CASE NUMBER 3	●	O	●	●	●	◐	◐
CASE NUMBER 4	●	O	●	●	●	NA	●

Legend :

- O Non application
- ◐ Partial application
- Full application
- NA Not applicable

#### 4. Summary and conclusion

All four selected cases were decisions taken at the political level within the organisation in accordance with Cloete's model (refer to Figure 5 in Chapter 5).

The decisions fall within the category of group decision-making which are normally non-routine. As explained in Chapter 5, there are decision-making aids which assist in facilitating and making the decision-making process easier, such as brainstorming and nominal group techniques amongst others. These aids, however, were not utilised in these selected cases.

Furthermore, no particular decision-making model was applied in terms of the explanations submitted in Chapter 5. This confirms the view that decision-making in local authorities has no structured approach. Therefore, for the purposes of this dissertation the decision-making process in local authorities is referred to as traditional.

The conclusions drawn from the analysis indicate that with regard to decision case numbers one and two, all the factors in the normative criteria were either not fully applied, despite the relevant decision-makers having sufficient information available at the time the decision was made. In both instances the decision was found to be unacceptable as it did not achieve the stated objective and was unsuccessful. In the first decision case the decision was repealed and in the second decision case, the needs and desires of a particular select group were satisfied and did not accrue any benefits to the community of Bellville as a whole.

In the third and fourth decision cases it will appear that the majority of factors within the normative criteria were fully applied. Two factors were partially applied. The acceptance within the community factor was not complied with, in both decision cases. Both these decisions were regarded as being successful, as the general welfare of the community would improve through the generation of additional funds. In spite of the fact that the decision was opposed by persons within the community on valid grounds, the principles of democracy were still being upheld, as they were granted a forum to voice their objections.



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## CHAPTER 10

### SUMMARY, CONCLUSION AND RECOMMENDATION

#### 1. Summary

The author stated the problem, demarcated the field of study and research and researched it in the following way:

The text was divided into six sections:

- the historical perspective, philosophy and functionality of local government;
- the placement of local government within an open system environment;
- the theory of decision-making which includes decision-making in local government;
- the identification and definition of normative criteria regarded as necessary for effective decision-making;
- description of selected case studies; and application of normative criteria in the actual case studies.

Each of these will be summarised in brief:

##### 1.1 Historical perspective, philosophy and functionality of local government

The development of local government since 1910 is covered in Chapter 2, which is characterised by the fact that no uniform system developed although certain similarities did exist.

A number of developments in the early 1980s were preceded by a number of investigations which influenced the field of local government. Proposals for a new constitutional framework for local government have been submitted, based on the principles of a new democratic and non-racial system of local government.

Central government has realised that proposals regarding co-operation, especially with regard to a new constitutional framework, cannot be implemented because of certain legal impediments. The promulgation of the Interim Measures for Local Government Act No. 128 of 1991 is an attempt to remove the legal constraints.

Chapter 3 continues to build on the historical perspective by attempting to show, that to achieve the philosophy of local government as transcribed from the United Kingdom within the democratic framework, the opportunity for full public participation by all the members of the community must be available.

In order to achieve the foregoing on the one hand, while at the same time to justifying the continued existence and usefulness of local government, it is necessary to ascertain the extent to which the needs of the community have been accurately determined and adequately satisfied through the provision of services.

It is therefore essential that local government effectiveness and efficiency is measured, so that its success in achieving its ultimate purpose is evaluated.

## 1.2 Placement of local government within an open system environment

The nature of local government is to provide services to satisfy the physical, economic, political and social needs, expectations and interests of the community. The primary purpose of local government is to develop a model of the environment in its totality, so that the general welfare of the community can be improved.

In view of the foregoing, the purpose of Chapter 4 is to describe the factors within the environment which have an influence on the provision of services, which should be taken into account by decision-makers.

The composition of the local government structure ... supports the decision-making process when transforming resources from the environment, is also examined in this Chapter. The interaction between local government and its environment is schematically presented in Figure 3, which shows that local government can only operate in an open system.

### 1.3 Decision-making theory

A description of the general theory of decision-making in Chapter 5, serves as an introduction to Chapter 6 which gives attention to decision-making theory in local government.

Chapter 5 covers the following elements in the general theory of decision-making:

- definition and process;
- decision-making models developed for the purpose of assisting decision-makers to make the most correct decision;
- decision-making aids which attempt to place the process on an objective basis by quantifying all identified variables to facilitate the selection of the best alternative.

Due to the uniqueness of the environment in which local government is placed, the constitutional framework in which it operates as well as the nature of its objective to improve the general welfare of the community, Chapter 6 examines the implications of decision-making at local government level.

Firstly, democracy at local level is a prerequisite for effective decision-making to enable all interested parties to participate in this process and therefore it is essential that provision be made for free, effective and full participation by all.

Secondly, due to the changing, dynamic environment in which local government is placed, there is a need for greater co-operation between the elected representatives and officials and the removal of the distinction between the political and administrative roles.



Lastly, it is accepted that the norms and values of the community as well as the perceptions experienced by all the participants do influence the decision-making process. In order to overcome these subjective tendencies successfully, it is felt that all participants should strive for consensus when attempting to reconcile these values and norms, without losing sight of the ongoing and changing dimensions in the environment.

#### 1.4 Normative criteria for decision-making in local government

Based on the discussions of the historical development, philosophy and functionality of local government as well as the need for information, the following normative criteria were identified in Chapter 7 as being essential for effective decision-making:

- legitimacy criterion;
- effectiveness and efficiency criteria; and
- sufficient information criterion.

In view of the explanation of these criteria it is clear that the full achievement of each of the three criteria is not easy, but should nevertheless be striven for by all decision-makers to ensure that the most correct and effective decision is formulated. Every decision-making situation should be analysed in accordance with the criteria, which should be satisfied foremost, in order to achieve the ultimate objective of the local authority.

#### 1.5 Description of selected case study

To achieve the purpose of this dissertation, namely to determine the feasibility of traditional decision-making in a large local authority, it was necessary to select a large local authority from which decision cases could be selected for analysis. Bellville City Council was selected, as it is one of the largest local authorities in the Cape Town Metropolitan area and it also complies with all the other criteria necessary to facilitate this analysis.

Chapter 8 serves to sketch the historical background, organisational and functional environment of the local authority in question, so that the selected decisions may be seen in context.

#### 1.6 Application of the normative criteria in the actual case studies

Chapter 9 provides a description of the four cases selected for analysis, as well as the findings of the application of the three selected normative criteria in each of these cases.

The application and evaluation of the cases were supported with unstructured interviews held with key officials involved in the actual decisions. The format of the interview is presented in Section 3 of Chapter 1.

The conclusions drawn from the application and analysis of the four decision cases, indicate that with regard to decision case numbers one and two, all the factors in the normative criteria were either not fully or only partially applied, despite the relevant decision-makers having sufficient information available at the time the decision was made. These two decisions were not deemed to be successful and were also not implemented in practice.

In the third and fourth decision cases, it will appear that the majority of factors within the normative criteria were fully applied. Two were partially applied and only the acceptance within the community factor was not complied with, in both cases. These two decisions were regarded as being correct and were successfully implemented in practice.

## 2. Conclusion

The objective of this dissertation as stated in Chapter 1, is to determine whether traditional decision-making as it exists to-day in a large local authority, is still feasible in our changing dynamic environment.

It will appear from the conclusions drawn from the analysis of the four decision cases, that traditional decision-making is in certain instances successful and thus feasible if all the normative criteria are applied. Of the selected decision cases which were successful, no subjective factors entered and influenced the process. Although in the selected decision cases an attempt was made by the selected local authority to adapt the open system approach, there was still a tendency to favour the prevailing dominant forces and thus ignore the findings within the external environment. As can be seen, this approach facilitated unsuccessful decision-making.

A further conclusion drawn from the analysis is that decisions will achieve a greater degree of failure if subjectivity or bias should be permitted to enter or influence the process. If a decision is based on subjective factors, there is a tendency to ignore the identified normative criteria, which facilitate effective decision-making. Greater value will be added to the decision-making process if cognisance is taken of the influences and trends within the external environment.

Traditional decision-making in local government is still feasible, provided that a conscious effort is made to apply those normative criteria which are regarded as essential within the prevailing circumstances, and that all subjective variables are identified and isolated.

### 3. Recommendation

This study by no means provides a complete picture. The analysis of the decision cases was not only based on the information gathered from supporting source documentation, but was also based on further information provided by those who willingly participated in the unstructured interviews.

It is accepted that the conclusions drawn from this study can not be applied to all local authorities on a national basis, as the provision of services does not take place in one specific determined environment since it is dynamic. In view of the foregoing, the normative criteria regarded as applicable in one set of circumstances will not be regarded as being applicable in a similar set of circumstances in another environment.



However, a detailed study possibly at a higher level, can investigate the possible short-term and long-term achievement of effective decision-making, through the development of a model which identifies and isolates bias and subjectivity, so that the normative criteria can be more successfully applied.

The political and other dimensions in the environment have a major impact on decision-making and it is therefore not suggested that the subjective factors be totally ignored. It is merely proposed that the decision-makers are presented with the full impact of the consequences of the decision made, whenever possible, should the criteria be not complied with.

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